

JFMIP NEWS

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Management Focus of the Future: Financial Reporting

I believe that financial reporting is singly the most important issue on the financial management horizon. Currently, almost every federal entity can produce a financial statement on time. The overwhelming majority of agencies, 21, of the 24 CFO agencies got a clean opinion on their 2002 financial statement. Does that mean that we are almost "done" in meeting financial management goals? The answer to that question is clearly no.

So where do we now stand? In my mind, there are four elements in achieving effective financial reporting. Information has to be accurate, consistently presented, timely, and useful.

I would argue that *information accuracy* and *information consistency* have been the focus of our efforts over the last 13 years. The attention has been focused on trying to get financial data presented in a manner that can be audited and attested to. We have focused on presenting data that are consistent with information requirements as defined by accounting standards. We have made great progress in achieving accurate and comparable financial reporting, as evidenced by



Donald V. Hammond, Fiscal Assistant Secretary
United States Treasury

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Joel D. Kaplan Confirmed as OMB Deputy Director

On July 31, 2003, the United States Senate unanimously confirmed Joel D. Kaplan as the Deputy Director of the Office of Management and Budget. As OMB Deputy Director, Mr. Kaplan will assist the Director in overseeing the preparation of the federal budget and help to supervise its administration in Executive Branch agencies. He will also work closely with Congress and federal departments to successfully implement the President's agenda, from growing the economy and creating jobs to ensuring a strong national defense and a secure homeland.

Previously, Mr. Kaplan served as Special Assistant to the President in the Office of the Chief of Staff, where he assisted in the coordination, development, and implementation of Administration policies. In that capacity, he focused on a wide range of issues including international economic affairs, homeland security, energy, and transportation.

Before joining the White House staff in January 2001, Mr. Kaplan worked as a policy advisor on the 2000 presidential campaign in Austin, Texas. Prior to that, he served as a law clerk for the Honorable Antonin Scalia, Supreme Court of the U.S. and for the Honorable J. Michael Luttig, U.S. Court of Appeals for the 4th Circuit (Alexandria, VA). He also served for four years as an Artillery Officer in the U.S. Marine Corps. Mr. Kaplan earned his bachelor's degree from Harvard College and his J.D. from Harvard Law School.

A Joint Perspective

With the close of FY 2003, I would like to dedicate this Joint Perspective to federal management trends that mark the 10-year anniversary of the Government Performance and Results Act (GPRA) signed into law on August 2, 1993 and the approaching 10-year anniversary of the 1994 Government Management Reform Act. This review reflects on how laws and policies are institutionalized over a decade, and the difference they make.



*Karen Cleary Alderman
Executive Director, JEMIP*

The Decade of Financial Reporting—More, Faster, Better

The “more” of financial reporting is captured by 10-year synopsis of the legislation. The change expectations regarding financial reporting started with the Chief Financial Officers (CFO) Act of 1990, which set the foundation for federal accounting standards and piloted financial statement reporting. The Government Management Reform Act of 1994 expanded the requirement for the 24 CFO Act agencies to produce by 1997 audited financial reports in accordance with generally accepted accounting principles and for the Department of Treasury to produce an audited governmentwide financial statement by 1998. The Reports Consolidation Act of 2000 authorized the consolidation of certain financial and performance management reports required of federal agencies. By 2003, agencies are required to produce integrated performance and accountability reports. Finally, the United States Accountability of Tax Dollars Act of 2002 expanded the requirement to prepare audited financial statements to small agencies and commissions, which included 78 additional organizations. These newly covered agencies (unless granted a waiver by OMB) will submit audited financial statements to OMB by January 30, 2004 and will be required to submit their

performance and accountability report for FY 2004. Also, OMB, through guidance, directed that agency FY 2003 financial statement Management Discussion and Analysis include information to meet the requirements of the Improper Payments Information Act of 2002. Thus, in the course of a decade, the requirement to produce audited financial statements that include program performance as well as financial reporting evolved from an experimental concept in a few agencies to a universal requirement for entities that receive taxpayer dollars.

“Faster” financial reporting reflects leadership’s conclusion that audited financial statements is not an end in itself. For financial statements to be useful they should be a timely by product of the underlying financial information systems and processes—rather than a reconstruction of the books after the fact. Starting in 2001, OMB accelerated reporting, required comparative reporting of annual statements, and introduced interim financial reporting. For FY 2003, agencies are required to produce unaudited quarterly financial reports and audited financial reports by January 30, 2004. Treasury is required to produce the Governmentwide Financial Statement by February 27. In 2004 quarterly statements are due to OMB 21 days after the quarter ends, audited financial statements by November 15th, and governmentwide statements by December 15th.

This exercise in “more” and “faster” is being achieved through a larger exercise in “better”. The President’s Management Agenda (PMA) required timely and clean financial reporting as a foundation condition for meeting financial management improvement goals. Agencies met accelerated timeliness, and are achieving an impressive track record of “clean” opinions. In 2002, all agencies reported timely and 21 of the 24 CFO agencies achieved clean opinions. The Department of Defense and the Governmentwide statements received disclaimers, however, the remedial actions were defined and management attention focused.

Accelerated timelines are forcing improved financial management processes,

better data, and greater cooperation and collaboration among agencies that exchange data including the Department of Treasury, OPM, and Department of Labor. It forces communication and integrated planning between CFO and audit organizations. The CFOAC Accelerated Reporting Committee, led by Treasury Fiscal Assistant Secretary Don Hammond, has been active in identifying impediments and taking collaborative action to eliminate them. The Treasury Department produced their FY 2002 financial report by November 15 and has widely shared lessons learned. (See *JEMIP News*, Winter 2003) The CFOAC Accelerated Reporting Committee has sponsored multiple forums (see *JEMIP News*, Summer 2003, *CFO Update*) and worked in partnership with the PCIE to share lessons learned. Accelerated timelines can only be met through high quality data throughout the year. There is no time for cleaning up the data after the fact. The outcome is better financial management processes.

Progress in financial reporting over the last decade reflects the legislative mandate, management emphasis, and agency process improvement. Government financial reporting practices, governance, and outcomes parallel financial reporting practices and trends of private sector corporations. Accelerated reporting is the universal trend. In government, the infrastructure is being improved and additional remedial actions are removing barriers. As noted in Don Hammond’s article, the next goal is improving the usefulness of reports to decision makers. That requires surfacing the most important financial and performance information, presenting it in a compelling way, and for the users of the information to have the desire to act.

The Decade of Performance Information: Making Performance Govern Decisions

GPRA’s 10-year anniversary provides the opportunity to reflect on how program performance measurement now impacts

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Gazing into the Crystal Ball – The Role of Estimation in Accelerated Reporting

On July 29, 2003, the Financial Acceleration Committee of the U.S. Chief Financial Officers (CFO) Council convened an interagency forum on the role of estimation in financial and accountability reporting. Agencies are employing estimation more extensively in anticipation of the accelerated FY 2004 annual reporting deadline of November 15. The forum participants included management and staff from both the Office of CFO/financial management and the Office of Inspector General (OIG)/audit communities from dozens of agencies. This meeting provides additional focus to one of the more pressing issues discussed during a May interagency roundtable on accelerated reporting.

Dan Murrin, Partner and Americas Director of Government and Public Sector Services at Ernst & Young, moderated the half-day session and presented his views on audit issues that must be considered in developing and using estimates. The forum also had agency presentations on best practices in estimation covering a broad range of accounting and reporting functions, including:

- Cash and Accounts Payable at Treasury's Internal Revenue Service (IRS)
- Grants at the Department of Health and Human Services (HHS), and
- Credit Reform and Estimation Consistency at the Department of Agriculture (USDA).

Dan Murrin and Don Hammond, Chair of the Financial Acceleration Committee, made the opening remarks. Mr. Murrin emphasized the need to understand major classes of estimation transactions and related controls; and stressed the importance of substantive procedures, such as transaction testing, involved in auditing estimates. Estimation, in addition to routine and non-routine data processing comprise three key processes supporting financial reporting. Mr. Hammond cited estimation as having been one of the key issues addressed by the Committee in the past year. He described estimation as being as much of an art as a science,

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FASAB Issues Exposure Draft Of New Accounting Standards, Identifying and Reporting on Earmarked Funds

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), David Mosso, recently announced that FASAB has issued an exposure draft of a proposed standard identifying and establishing reporting requirements for earmarked funds. A primary objective of this project is to clarify the meaning of the term "trust fund."

According to Chairman Mosso, "Trust funds' included in the federal budget normally are not of a fiduciary nature. Most of the assets held by such 'trust funds' represent Government-owned assets earmarked to finance or help to finance specific federal programs. This proposal distinguishes earmarked funds from traditional trust or fiduciary activities and requires that financial statements present the cumulative amount earmarked for specific federal programs."

The proposed standard defines earmarked funds as being financed by statutorily dedicated revenues, often supplemented by

other financing sources, which remain available over time. These dedicated revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the Government's general revenues.

By statutorily dedicating these funds for these specific purposes, Congress creates the expectation that the funds actually will be used for specific purposes. Many of these funds have investment authority that permits the accumulation of large interest earning balances. The total of these balances has grown approximately tenfold over the past two decades.

The proposed standard would require that the financial statements of component federal entities show separately the portion of cumulative results of operations attributable to earmarked funds. At the government-wide reporting level the financial statements would show separately the net position

attributable to earmarked funds. This would assist the users of financial statements in understanding the Government's commitments regarding earmarked funds.

The exposure draft, entitled Identifying and Reporting Earmarked Funds, request comments by December 17, 2003. I adopted it would be effective for period beginning after September 30, 2005. Copies of the exposure draft are available at the FASAB Web site (<http://www.fasab.gov/exposure.htm>).





CBO Member Joins Board

Dr. Douglas Holtz-Eakin, the Director of the Congressional Budget Office (CBO) is the newest member of the Federal Accounting Standards Advisory Board (FASAB). The Board's sponsors, the Department of the Treasury, the Office of Management and Budget and the General Accounting Office have a new memorandum of understanding governing the Board that added a member from CBO. Dr. Holtz-Eakin's participation will offer the Board additional insight regarding Congressional information needs. His expertise in economics and public policy will enhance the mix of professional skills represented on the Board. Dr. Holtz-Eakin is the sixth Director of CBO, where he was appointed for a four-year term beginning in February 3, 2003. He previously served for 18 months as Chief Economist for the President's Council of Economic Advisers. Dr. Holtz-Eakin is on leave from Syracuse University where he holds the post of Trustee Professor of Economics at the Maxwell School.

FASAB recently issued the following documents.

Exposure draft of a new *Statement of Federal Financial Accounting Standards entitled Heritage Assets and Stewardship Land: Reclassification from Required Supplementary Stewardship Information*. Responses are requested by November 10, 2003.

Exposure draft of Federal Financial Accounting and Auditing Technical Releases (TR) entitled *Auditing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act)*.

Exposure draft of *Federal Financial Accounting and Auditing Technical Releases (TR) entitled Preparing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act)*.

An update of some of the FASAB projects follows.

Social Insurance Liabilities

The objective is to reconsider the FASAB liability definition and specifically its application to social insurance programs. At the same time, the Board will consider developing an asset definition to replace the current working asset definition in the Consolidated Glossary. Subsequently, the Board will consider recognition, measurement and display of social insurance obligations.

The Board decided to begin with general concepts and definitions for liabilities and assets. The Board also decided to include all five

social insurance programs within the scope of the project. The Board directed the staff to first develop liability and asset concepts and definitions and then consider how each social insurance program would be treated under these working concepts.

Heritage Assets and Stewardship Land

At the August meeting, the Board voted to issue the Exposure Draft (ED). An ED, *Heritage Assets and Stewardship Land* was issued on August 20, 2003 that proposes that heritage assets and stewardship information be reported as basic information, except for condition reporting, which would be reported as Required Supplemental Information. The ED provides for a line item to be shown on the balance sheet for significant heritage assets and stewardship land, but no financial amount should be shown. Instead, the line item would reference a note disclosure that would provide minimum reporting requirements. The ED also introduces minor changes to the current disclosure requirements for heritage assets and stewardship land by requiring additional reporting disclosures about entity stewardship policies and an explanation of how heritage assets and stewardship land are pertinent to the entity's mission. Comments on the ED are requested by November 10, 2003. See FASAB Web site www.fasab.gov/exposure.htm for a copy of the ED. For more information, contact Melissa Loughan, 202-512-5976, loughanm@fasab.gov

Fiduciary Activity

The Board issued an exposure draft of a proposed standard entitled Accounting for Fiduciary Activities with the comment period ending July 31, 2003. The proposed standard shows how to distinguish federal fiduciary activity from federal program activity that in many cases is called "trust fund" activity, but in fact represents taxes or other federal resources dedicated to specific federal programs. The proposed standard provides guidance about how to account for and report fiduciary activity. At the August meeting, the Board reviewed the responses to this exposure draft received as of August 11 and decided that a public hearing should be held on this exposure draft in conjunction with its October meeting. For more information, contact: Richard Fontenrose, 202- 512- 7360, fontenroser@fasab.gov

Earmarked Funds (or Dedicated Collections)

The objective is to ensure that financial reporting clearly distinguishes between the various types of funds used or managed by the Federal government. The Board continues toward finalizing an Exposure Draft for earmarked funds. The staff developed several alternatives for presenting the flows of earmarked funds, including showing the flows on the face of the financial statements. The Board continues to work toward an exposure draft that would define

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FINANCIAL MANAGEMENT PROFILE

Gwendolyn Brown is the acting Chief Financial Officer (CFO) at the National Aeronautics and Space Administration (NASA). As acting CFO, Ms. Brown's responsibilities include:

- Overall financial management and oversight of NASA resources for programs and operations
- Validating NASA resource requirements to ensure alignment with strategic goals
- Establishing economic and costs performance standards for agency programs
- Integrating agency planning, budgeting, accounting, and performance reporting within a unified financial management system
- Monitoring execution of NASA's budget
- Facilitating financial management improvements consistent with the CFO Act
- Developing NASA's Strategic Plan, Annual Performance Plan and Performance Report

Ms. Brown joined NASA as Deputy CFO in November 2002 with a mandate to help NASA improve its financial management system to produce unqualified audit opinions with no material weaknesses, meet reporting deadlines mandated by the Office of Management and Budget (OMB), and routinely produce financial performance information on demand for management decision making and strategic planning purposes. Just prior to Ms. Brown's arrival at NASA, the agency had received a disclaimer on its FY 2001 financial statements due in large part to the agency's reliance on multiple financial systems that had very limited data sharing capabilities. To compensate, NASA's finance staff had to manually reconcile thousands of transactions, consequently increasing the number of errors in the agency's financial statements. However, NASA was able to turn things around significantly in FY 2002.

With acting CFO Brown managing the day-to-day financial operations and the preparation and submission of NASA's annual financial reports, the agency received an unqualified audit opinion on its FY 2002 financial statements with two material weaknesses. To address the material weaknesses in internal controls, the agency is increasing the frequency of property reporting by NASA contractors on government owned property held by contractors, providing enhanced guidance to contractors on reporting requirements, enhancing training provided to NASA property accountants and contractors, and increasing reviews and validations of selected contracts and contractor property data. The agency also has made significant changes to its Financial Statement and Performance Accountability Report process that will be reflected during the FY 2003 reporting cycle. These changes include the establishment of a quality control review to ensure that final products meet all OMB reporting requirements, an increase in the number of staff involved in the financial statement preparation process, and additional training staff training on the U.S. Standard General Ledger and OMB reporting requirements.

Ms. Brown began her public service career as an auditor for the Defense Contract Audit Agency. Later she served as a legislative correspondent on Senator Ted Stevens personal staff where she played an instrumental role in coordinating activities to protect Alaska's vital fishing industry during the *Valdez* oil spill. Just prior to joining NASA, she served as a Senior Program Analyst for the Department of Defense in the Office of the Comptroller where she was instrumental in instituting streamlined requirements for financial reporting and developing electronic financial management reports. Ms. Brown holds a bachelor's degree in accounting from The Catholic University of America and a master's degree in public administration from the American University.

When asked her opinion of what attributes or characteristics one must possess in order to be an effective leader, Ms. Brown stated that she believes that effective leadership qualities or attributes are those that transcend authority, rank, field, assignment or technical ability. A leader should have integrity, be honest and trustworthy, offer praise, take a genuine interest in her work and the work of others, always strive for excellence, and be accountable. She stressed that leaders in the financial management and accounting field must have all of these qualities, especially honesty and accountability, and be focused on providing valued service to the American taxpayer. Ms. Brown believes that accountability, which is one of the major issues or challenges she believes financial managers now face and will continue to face in the next several years, is best met through a well-designed

performance management system that clearly defines the responsibilities of individuals, divisions, and departments with performance "contracts" between managers and employees outlining deliverables and deadlines.

Ms Brown advises those aspiring to join the executive leadership ranks in the public sector, to understand the distinction between being a good manager and being a good leader. She pointed out that of the five Executive Core Qualifications (ECQ) for the Federal Government, three are focused on human relations (leading change, leading people, building coalitions), one is focused on personal and professional disposition (results driven), and only one is focused on technical ability (business acumen). Management includes being skillful in the orchestration of the processes associated in the areas of business acumen sought in the Senior Executive Service (SES) ECQs, whereas leadership goes beyond the mastery of processes and includes vision, effective human relations, and a disposition that inspires and motivates others to excel. One should also seek to build a broad base of experience in business areas common in the public sector such as budgeting, accounting, legislative affairs, and procurement in preparation to take on responsibilities across a full range of functional responsibilities as senior executive in the public sector.

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Gwendolyn Brown
Chief Financial Officer (Acting)
NASA



THE FINANCIAL MANAGEMENT SERVICE:

REDESIGNING GOVERNMENT FINANCIAL SYSTEMS FROM THE GROUND UP

The Financial Management Service (FMS) is a bureau of the United States Department of the Treasury. It performs many of the fundamental cash management functions that were delegated to Treasury when Congress created the Department in 1789. FMS' main business lines are payments, collections, debt collection, and governmentwide accounting. This article highlights FMS' mission and the business model transformation that is underway at the agency.

The FMS Core Mission – Providing Governmentwide Financial Services to Agencies

The FMS mission is to provide central payment services to federal program agencies, operate the federal government's collections and deposit systems, provide governmentwide accounting and reporting services, and manage the collection of delinquent debt. FMS disburses approximately 85 percent of the federal government's payments, totaling more than \$1.6 trillion annually. It issues payments – such as Social Security, veterans' benefits and income tax refund payments – to more than 100 million people. It also collects more than \$2 trillion in federal revenues, and oversees a daily cash flow of \$50 billion.

FMS has set strategic goals to accomplish this mission in the most effective way possible. FMS is working to provide federal payments timely and accurately, move toward an all-electronic Treasury for payments, and determine the optimal payment-processing environment for the future, while maintaining robust security. The bureau is also developing mechanisms to provide timely collection of federal government receipts, at the lowest cost. Efforts are underway to maximize collection of government delinquent debt by providing efficient and effective centralized debt collection services. FMS is enhancing the production of accurate, accessible, and timely governmentwide financial information and reports, which contribute to improved quality of the nation's financial decision making. Facilitating the achievement of a clean audit opinion on the annual *Financial Report of the U.S. Government* through FMS' internal operations and support to government agencies is a key priority. With the development of Enterprise Architecture, FMS is laying a solid foundation for assessing current and future business needs and devising a plan to bridge the two – once fully established, Enterprise Architecture will allow FMS to update continually and evolve its own architecture to keep pace with ever-changing business needs. Underlying all of these goals is an effort to establish policies and processes to facilitate the integration of e-commerce technologies into FMS' business programs and infrastructure.

By establishing incentives to move to electronic systems, improving management and security in the manner in which its functions are performed, maximizing use of the Internet, minimizing redundancy in systems, and encouraging creativity in the approach

to the mission, FMS has endeavored to be a model for change in the way government does business.

The Vision Behind the Mission

FMS has an enormous reach. Its customer base consists of virtually every federal agency and millions of U.S. citizens. As such, FMS has made customer service a main priority. FMS seeks to better serve agencies by working closely with them, designing systems that meet their needs, and by extension, supporting the policy priorities of the whole of government. At FMS, all major programs and initiatives are conceived, planned and implemented with service in mind. FMS has made the simplification of access to its systems and data and the streamlining of government financial management cornerstones of its mission. Accordingly, FMS is moving more and more of its business lines, products and services to the Web, moving away from old dedicated PC workstations to systems that are accessible from any modern PC. It is also working to reduce the number of systems agencies must access in order to do business with Treasury, and it is continuously striving to make these systems more efficient and customer-oriented.

There is a historic shift in technology and in thinking that is driving these changes. The overarching vision that provides the foundation for this shift is that, as FMS modernizes its architecture, it is not merely fine-tuning the old ways of doing business. Rather, the agency is helping to drive a fundamental transformation of decades-old business models that will dramatically reshape the approach to government fiscal operations for years to come. This is not simply change for the sake of change. There is a bold strategic vision behind these changes that will enable FMS to provide even better service and benefit government in numerous ways. And

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FINANCIAL MANAGEMENT PROFILE

Mark Carney is the Deputy Chief Financial Officer (DCFO) for the Department of Education. He currently co-chairs the Erroneous & Improper Payments (EIP) Working Group, a collaborative effort between the Chief Financial Officers (CFO) Council and the President's Council on Integrity and Efficiency (PCIE). He also recently took on the role of Chair, Systems/E-Government Committee of the CFO Council.

Mr. Carney has 21 years of experience in federal financial management and also has experience at the state and local levels. He holds a Master of Public Administration degree from the Ohio State University with a concentration in finance and is a summa cum laude graduate of Ohio University, where he earned a BA in Political Science.

JFMIP profiled Mark Carney in our Summer 2000 newsletter. Since that time, the financial management community has undergone a great deal of change. JFMIP recently caught up with Mr. Carney to share the following thoughts with us.

Evolving Role of Chief Financial Officers Council

There have been tremendous changes in the members, functions and focus of the CFO Council over the past four years. The wait for new CFOs and leadership positions to be appointed and confirmed proved to be frustrating for career senior executives. This was particularly hard since the CFO Council saw the Chief Information Officers (CIO) Council moving briskly with its agenda.

When Mark Everson, Deputy Director of Management at the Office of Management and Budget, and new CFOs started arriving, things went into high gear very quickly. The financial management community had been blessed with a number of stellar leaders, who were focused and ready to make a great deal of things happen. Our productivity was further enhanced when Linda Springer, Controller, Office of Federal Financial Management, joined us.

The impact of the President's Management Agenda (PMA) on the Council's work has been profound. The revised committee structure is an alignment with relevant PMA initiatives. The work being done by CFO Council's members is extremely impressive. For example, the acceleration of financial statements is driving a multitude of changes, especially in agency reporting systems. In addition, a multitude of challenges facing the audit community is also being addressed by working with the Inspector General (IG) community. Other examples of excellence include the Human Capital

Committee and the Best Practices Committees. Both committees have produced deliverables that have made a difference.

Erroneous Payments Committee

The approach of this committee was different and included a wider range of participants than other committees, which may explain why the committee was a success. We wanted to team with the PCIE, House Government Reform Committee, General Accounting

Office, and private sector. Because of independence concerns, we formed a joint working group with the PCIE on erroneous payments, which was co-chaired by the Department of Education Inspector General and Mark Carney. Mr. Carney believes that this was one of the best government initiatives he ever worked on. The working group delivered valuable work products and provided input into P.L. 107-300, the Improper Payments Information Act of 2002. The group's work was used in congressional testimony. The OMB has recently issued final guidance for implementing the new law. The working group now must pick up the gauntlet to assist agencies in reaching compliance.



*Mark Carney
Deputy Chief Financial Officer
Department of Education.*

Systems/E-Government Committee

The Systems/E-Government Committee has recently been reconstituted. The Committee is changing its focus to broader issues facing the financial management community. After a recent survey on priorities done by agencies, OMB, and JFMIP, the Committee plans to take on such topics as redundant financial management systems, testing and certification process for software, and the integration of financial and performance information during decision making.

Conclusions

Federal financial management changes have been far reaching over the last few years. The PMA has been a key driver in focusing the agency collective resources. A transition of political and career leadership has occurred in the agencies and the CFO Council membership reflects that change. Mr. Carney is proud to be a part of a highly focused team that is producing deliverables that bring us to the next level.



NASA's Integrated Financial Management Program Celebrates Major Milestone

- Improve NASA's accountability and enable full cost management
- Achieve efficiencies and operate effectively
- Exchange information with customers and stakeholders
- Attract and retain a world-class workforce.

In June 2003, the National Aeronautics and Space Administration's (NASA) Integrated Financial Management program achieved a significant milestone when the Core Financials application, the software module that serves as the backbone of the agency's enterprise-wide financial system, went live at all ten of its operating Centers. Preparation for this milestone began in 2001 when NASA launched the Integrated Financial Management Program (IFMP), a \$500 million agency-wide effort to improve the management of its financial, physical and human resources.

To date, the program has deployed five of the planned nine modules and has replaced more than 145 legacy systems Agency-wide. In the next eighteen months, the IFM program plans to deploy its Budget Formulation, Asset Management and Project Systems modules – and replace another 130 legacy systems. NASA expects the rollout of its last module, Human Resources, to be completed by 2006.

Adopted Solution Supports Long-term Agency Strategic Goals

NASA Administrator Sean O'Keefe has made implementing the President's Management Agenda (PMA), a White House Initiative to develop and improve management across the Federal government, one of his primary Agency goals. Recognizing the value in the ability of the ultimate solution to support Agency business needs, which in turn support the PMA, the IFMP evaluated potential solutions based on their ability to support the Agency's strategic goals. These criteria include the ability to:

- Provide timely, consistent and reliable information for management decisions

NASA manages numerous Programs and Projects, most of which connect across multiple operating Centers. Over the years, NASA's ability to efficiently manage program and project data has been hampered because data resided in many disparate Field Centers and incompatible reporting systems. This lack of integration limited information flow between Centers, prevented managers from quickly and reliably accessing data for analysis and evaluation, and required inefficient and time-consuming reconciliation efforts between accounting, financial, procurement and project management systems.

As a result, NASA determined that, in order to meet its information requirements, it had to move from a distributed and incompatible business model to an architecture supporting a highly integrated approach linking financial, physical, human resource and procurement data. According to IBM Business Consulting Services, NASA's solution is currently unique in the Federal government. While some Federal agencies have been successful implementing functionally-based (i.e., financial, human resources, etc.) enterprise solutions, none have attempted to deliver a seamless system leveraging a single "best of suite" platform (i.e., SAP, PeopleSoft or Oracle) across functions throughout an entire organization. If successful, NASA will have implemented the most comprehensive enterprise resource platform to date – one that will manage agency funds from appropriation, through procurement, and eventually implementation and provide its program and project management community the information it needs in a timely, reliable and transparent manner.

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Update to OMB Circular A-11

The annual update to Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget," was issued on July 25, 2003. The Circular contains instructions for the agencies on preparing Fiscal Year (FY) 2005 requests; budget execution; strategic plans, performance plans, and program performance reports; and acquiring capital assets. The Circular is available at: <http://www.whitehouse.gov/omb/circulars/a11/03toc.html>

As forecasted in previous editions of A-11, agencies are asked to prepare a performance budget for FY 2005 in lieu of the annual performance plan required by the Government Performance and Results Act (GPRA). The performance budget should be integrated with other elements of the agency budget request to OMB in September, and the agency Congressional justification in February. Agency submissions to OMB should include the Program Assessment Rating Tool (PART) assessments, when available, as well as the performance goals used in the assessment of program performance done under the PART process. This year's update provides a roadmap (in section 26) for agencies to access current information on all OMB performance initiatives.

A number of improvements were made to the leasing-purchase guidance. The revisions, particularly as they relate to the scoring of leases from public/private partnerships, clarify uncertainties about the application of the scoring rules and provide guidance that better reflects the Government's share of the risk incurred under these types of lease arrangements.

Also notable this year, many reporting requirements have been simplified or dropped entirely because the information is available from other sources or no longer needed by OMB. Requirements that have been dropped include:

- Accrual amounts for Federal pensions and health benefits
- Sequesterable/exempt and user charge classifications in MAX, OMB's Budget

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GAO Issues Exposure Draft on Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government

In July 2003, the General Accounting Office (GAO) issued draft guidance that introduces a framework, consisting of a set of principles and key questions, that federal agencies can use to ensure that their training and development efforts are targeted strategically, and not wasted on efforts that are irrelevant, duplicative, or ineffective.¹ The draft guide states that effective training and development programs are an integral part of a learning environment that can enhance the federal government's ability to attract and retain employees with the skills and competencies needed to achieve results for the benefit of the American people. This guide is designed to help assess how agencies plan, design, implement, and evaluate effective training and development programs that contribute to improved organizational performance and enhance employees' skills and competencies. The exposure draft is a starting point, and GAO suggests that it can and should be modified to fit the unique circumstances and conditions relevant to each agency. GAO is seeking comments on this exposure draft.

The guide points out that, taken as a whole, the training and development process can loosely be segmented into four broad, interrelated components: (1) planning/front-end analysis, (2) design/development, (3) implementation, and (4) evaluation, as shown in figure 1.

Planning/Front-end Analysis

According to GAO's framework, it is essential that agencies ensure training and development efforts are undertaken as an integral part of, and are driven by, their strategic and performance planning processes. Front-end analysis can help ensure that training and development efforts are not initiated in an ad hoc, uncoordinated manner, but rather are strategically focused on improving performance toward the agency's goals and are put forward with the agency's organizational culture firmly in mind. There are several key questions related to this component that focus on issues such as how the agency determines what skills and competencies it needs and identifies strategies, including training and development, to address these needs; what

steps the agency takes to prioritize training and development investments so that the most important needs are addressed first; and how the agency ensures that strategic and tactical changes are promptly incorporated in its training and development efforts.

Design/development

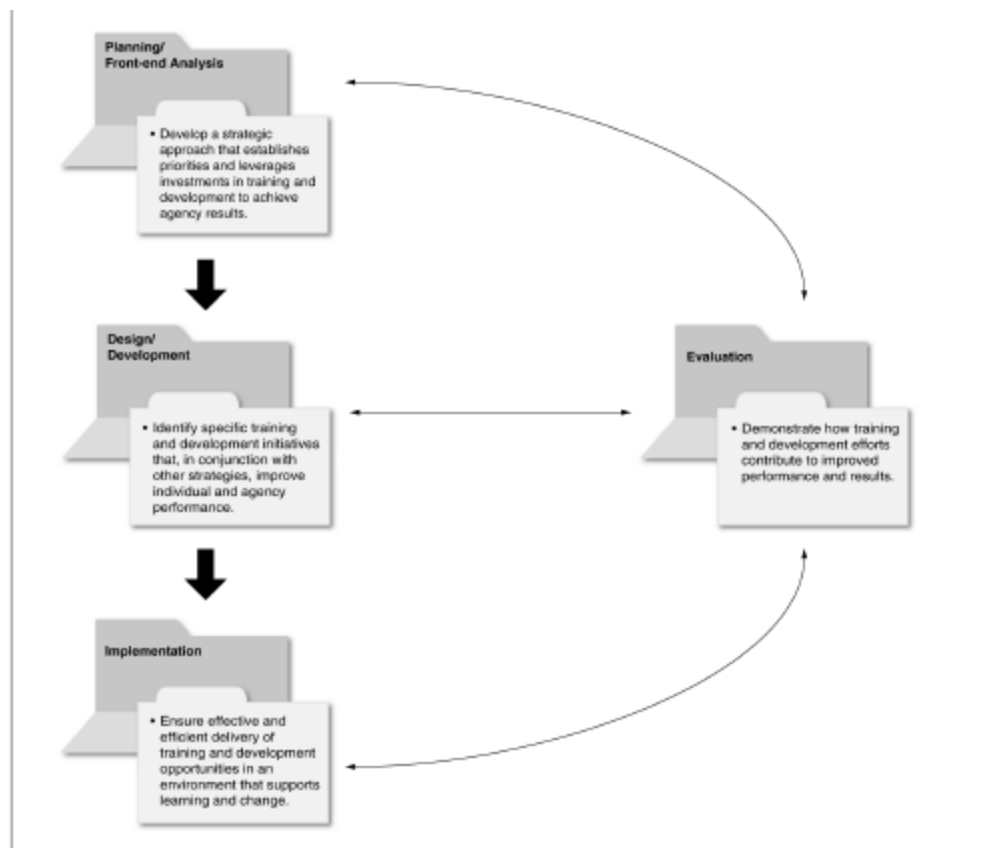
GAO's framework calls for well-designed training and development programs—linked to agency goals and to organizational, occupational, and individual skills and competencies—to help the agency perform effectively. Agencies can choose from a wide range of mechanisms, such as classroom and distance learning, in designing training that is as effective and efficient as possible. According to GAO, it is important for agencies to ensure that their training and development efforts are cost effective given the anticipated benefits and to incorporate measures that can be used to demonstrate

the contributions that training and development programs make to improve results. The guide's key questions for this component focus on issues such as integrating the design of the training or development program with other strategies (e.g., changing work processes) to improve performance and meet emerging demands; comparing the merits of different delivery mechanisms (such as classroom or computer-based training) to determine what mix of mechanisms to use to ensure efficient and effective delivery; and determining a targeted level of improved performance in order to ensure that the cost of a training or development program is appropriate to achieve the anticipated benefits.

Implementation

GAO's framework also explores how effectively implementing training and

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Source: GAO.

Figure 1: Four Components of the Training and Development Process

NO FEAR ACT

What you Need to Know

The Notification and Federal Employee Anti-Discrimination and Retaliation (NO FEAR) Act of 2002 was implemented to make Federal agencies accountable for violations of antidiscrimination and whistleblower protection laws and to require agencies to post reports and compile statistical data relating to employment complaints. The Act establishes a number of new requirements for Federal agencies including notification requirements, reporting requirements, and a requirement that the agency bear the costs of certain judgments or settlements which were previously paid out of a government-wide Judgment Fund.

Although the Act becomes effective on October 1, 2003, with certain portions implemented at a later date, it is imperative that Federal agencies understand the Act's requirements and take action as soon as possible to ensure compliance. You should note that reporting requirements mandate that the first report, with information outlined below and due on March 30, 2005, must contain information for each of the five immediately preceding fiscal years. Thus, there is an immediate obligation to ensure that information is retained for this period and in the future.

Congress enacted this legislation in May 2002 but no rules or guidelines have yet been issued. In July 2003, the Office of Personnel Management (OPM) was delegated responsibility to establish procedures for carrying out the Act's requirements. OPM is working with the appropriate government agencies and outside stakeholders to ensure that regulations promulgated are sufficient to meet the legal requirements set forth in the statute. Accordingly, there are many unresolved issues relating to implementation of the Act that must be clarified.

Purpose: The Notification and Federal Employee Anti-Discrimination and Retaliation Act of 2002 ("NO FEAR Act"), Public Law 107-174, requires Federal agencies to be accountable for violations of antidiscrimination and whistleblower protection laws. The NO FEAR Act requires each Federal agency to submit an annual report and post quarterly, on its public website, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency. Additionally, Federal agencies are required to provide notification and training to employees on their rights and protections under antidiscrimination and whistleblower protection laws.

Reimbursement Requirement: Section 201 of the Act requires Federal agencies to reimburse the General Fund of the Treasury for amounts paid from the Judgment Fund as a result of discrimination or whistleblower protection complaints against the agency.

Change to Application of Judgment Fund

Prior to the effective date of the Act, the Judgment Fund operated as a permanent, indefinite appropriation available for most court judgments against the United States Government. The Judgment Fund's distributed funds were not normally accounted for, attributed to, or reimbursed by the

Federal agency whose activities were responsible for the monies paid. The NO FEAR Act changes this significantly. Section 201 of the Act now requires that the agency reimburse the Judgment Fund when its actions give rise to a claim under discrimination or whistleblower protections that must be paid.

Applicability

The reimbursement provisions apply to payments made pursuant to any judgment, arbitration, compromise, or settlement "to any federal employee, former federal employee, or applicant for federal employment in connection with any proceeding brought on behalf of such employee, former employee, or applicant" under the whistleblower protection provisions of 5 U.S.C. § 2302 or provisions of law prohibiting discrimination.

Source of Reimbursement

The agency must reimburse the Judgment Fund an amount equal to that paid on the agency's behalf "out of any appropriation, fund, or other account . . . available for operating expenses" of the agency. However, the Act excludes funds appropriated for enforcement of a federal law, as the Act's purpose would be undercut if funds used to enforce civil rights and whistleblower laws were diverted to paying awards and settlements. The Act's language limiting the source of funds to "operating expenses" appears to exclude program appropriations, such as competitive grant appropriations and loan costs appropriations.

Time for Reimbursement

Federal agencies are expected to reimburse the Treasury "within a reasonable time." Although the Act does not define "reasonable time," Congress suggested that a delay in reimbursement may be permissible, if the amount of reimbursement is large relative to annual appropriations for the agency in order to avoid reductions in force, furloughs, reductions in compensation or benefits for the workforce of the agency, or adverse effects on the mission of the agency.

Reporting Requirement: Section 203 requires the agency to provide an annual report to Congress, the U.S. Equal Employment Opportunity Commission ("EEOC"), and the Attorney General on the agency's equal employment opportunity record and actions taken pursuant to the NO FEAR Act and other antidiscrimination laws.

Time Frame

Each agency must submit an annual report not later than 180 days after the end of each fiscal year. This date is approximately the last day in March following the end of each fiscal year. For example, the first report, for fiscal year

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A Joint Perspective

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resource management decisions. The Act endorsed formal linking resources to results through establishing a management framework of agency strategic plans, performance plans linked to strategic plans, and performance reporting. GPRA implementation occurred in stages starting with pilots in 1994 to full implementation by 1999. Performance reporting was formally incorporated into financial reporting as the result of the 2000 Reports Consolidation Act. In general, GPRA has been criticized for focusing on process measures rather than outcome measures and producing a lot of paper without influencing decisions. However, the underlying theme, linking resources to results, while elusive, has remained of critical importance to policy makers.

The PMA adopted budget performance integration as one of the five overarching management goals for federal agencies, thus reinforcing GPRA ideals. OMB introduced the Performance Assessment Review Tool (PART) as a discipline in the budget review process. To support the goal of making full program costs visible, the President submitted (although Congress did not act on it) the Managerial Flexibility Act of 2001 which would have charged employing agencies for the full annual accruing cost of federal pensions and health benefits, as reflected in the Budget. The Executive Scorecard established measures of agency status and progress in meeting performance and budget integration. Making "green" indicates that senior agency managers meet at least quarterly to examine reports that integrate financial and performance

information that cover all major responsibilities of the Department and this information is used to make decisions. They include strategic plans that contain a limited number of outcome oriented goals and objectives; annual budget and performance documents incorporate all measures identified in PART; full cost of achieving performance goals are accurately reflected in the budget; program efficiency measures are included; performance appraisal plans link mission, goals, and outcomes and differentiate the performance of individuals and provide consequences based on performance.

As of June 2003, no agency met all criteria to be rated "green" in status; however, the majority of agencies are rated green for "progress". The FY 2004 Budget published ratings and detailed assessments of 234 federal programs — approximately one-fifth of the entire federal government, representing \$494 billion in spending. Information on programs rated in 2004 budget are posted on the OMB's results.gov website. About half of the ratings on last year's PART were "Results Not Demonstrated." This was primarily because many programs do not have adequate performance measures. The FY 2004 President's Budget Submission prominently discussed the effort to integrate budget and performance. The FY 2005 budget review will include PART reviews for an additional 20 percent of programs.

During the last decade significant effort has been undertaken to develop disciplines of measuring program cost, identifying program

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Update to OMB Circular A-11

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Information System

- Outyear projections of character classification for non-grant program
- Commercial vs. inherently governmental distinction in the personnel summary
- Information on drug control programs
- Erroneous payment data
- Information for the national security crosscut
- Reports on material weaknesses and nonconformances
- Calendar Year and Budget Year data from balance sheets
- Information on relocation expenses and international travel

In addition to the dropped requirements, detailed instructions associated with certain data collections that are not specifically required for preparation of the President's budget (e.g., motor vehicle fleet report and information on geospatial data acquisition) have been excluded from A-11. Instead, the latest instructions are maintained on-line and can be accessed through links in A-11 to those instructions or through the White House web page at: http://www.whitehouse.gov/omb/circulars/a11/current_year/s25.pdf

A-11 includes new or expanded requirements for:

- Activity-level information on homeland security and overseas combating terrorism.
- Data on competitive sourcing studies.
- Technology transfer activities.
- The use of Federal Enterprise Architecture during budget formulation.

Initial submissions were due to OMB on September 8. OMB will accelerate the open and lock dates for prior year data in MAX to be consistent with the accelerated financial reporting and plans to lock prior year data in MAX by the middle of December.

These and other changes are covered more fully in the Circular's summary of changes, which follows the table of contents.



FMS Introduces the Account Statement

Account Symbol	Dept TR	FY	Main	Sub	Reporting Cycle	Fiscal Year	Distribution Code
12	X	4230			Jul 2002	2002	00

Trans	Sub	Sub	Ref	Acctg	Rpt
Opening Bal					1.36
Net Disb					15
Nonexp Trans					-11
Nonexp Trans					
Nonexp Trans					
Net Disb					-39
Net Disb					
Nonexp Trans					

Search Criteria	Agency	Balance Display	Activity Type
DEPARTMENT OF AGRICULTURE - (12)	AB	AB	AB
Expenditure	2882 Fiscal Year, Month of July		

Account	Sub	Sub Line	Activity	Balance	Sub Line	Balance	Sub Line	Balance
12	000	00	070000	07160000	4,000.00			
12	000	00	070000	07160000		111,015,519.57		
12	000	00	070000	07160000		1,883,021.42		
12	000	00	070000	08000000		194,014,008.20	288,732,148.28	
12	000	00	070000	08000000		4,000.00	12,000,000	
12	000	00	070000	08000000		320,851,067.71	12,000,000	
12	000	00	070000	08100000		54,668.92	12,000,000	
Total					288,732,148.28			

The Financial Management Service (FMS) is introducing the first phase of the Account Statement to Federal Program Agency (FPAs) customers and stakeholders. The Account Statement is the second major module deployed as part of the Governmentwide Accounting System (GWA System). The GWA System is the result of a multi-year effort to modernize the Federal government's central accounting and reporting system under the GWA Project. The Account Statement is a joint development effort between the Federal Reserve Bank of New York and FMS.

The GWA Project will change the cyclical business processes governing FPA reporting of financial transactions on a monthly basis to FMS via the Statements of Transactions and Accountability (SF-224, SF-1218/1221, SF-1219/1220). FMS returns the processed information to the FPAs via Undisbursed Ledgers and Trial Balances, and the Statement of Differences and various support listings (TFS-6652, -6653, -6654, and -6655). Under the new "GWA way" agencies will classify financial transactions when they are initiated, eliminating the need to classify them on the Statement of Transactions at month end. FMS, in turn, will provide FPAs with a bank-like Account Statement of their Fund Balance with Treasury on a near real time basis in a safe and secure internet-based application available 24x7.

All agencies are responding to new requirements for improved accuracy of financial data as well as more timely preparation of financial reports. Classifying each transaction at its origin improves the accuracy of the financial data. The next-day availability of the Account Statement with the transactions that increased or decreased the Fund Balance with Treasury ensures that agencies have the information necessary to accelerate reporting deadlines.

Recording a financial transaction under the "GWA way" will require that the Treasury Account Symbol (TAS) be provided with each transaction. A new data element, the Business Event Type Code (BETC), is also required for each transaction. This new BETC identifies the type of transaction being reported and the accounting effect on the Fund Balance [plus (+) or minus (-)]. For example, a BETC of REDTSEC represents the Redemption (sale) of US Treasury Securities.

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System Requirements on Inventory, Supplies and Materials Finalized

The JFMIP document *Inventory, Supplies and Materials System Requirements*, JFMIP-SR-03-02, dated August 2003, is now available on the JFMIP website <http://www.JFMIP.gov>. The document brings together the common financial information requirements necessary in systems to support the logistics management processes for all Federal agencies.

The project was led by Ms. Robin Quinlan, Deputy Director, Systems Interoperability for the U.S. Department of Defense. A large task force of logistics and financial professionals, representing 12 Federal agencies were involved in expanding and updating the 1995 document to reflect changes in statutes and regulatory requirements. This document now covers the system requirements for inventory held for sale, operating materials and supplies, and stockpile materials. Issuance of the document demonstrates the commitment of the Federal logistics and financial communities to work together to improve systems.

The document provides a common reference to support Federal agency efforts to improve financial management and logistics systems and to comply with the Federal Financial Management Improvement Act of 1996 and other statutes and regulations. It is of particular value to systems analysts; systems accountants; system auditors and others who design, develop, implement, maintain, and oversee systems.

Of note, this document introduces Unique Item Identifiers (UIDs) as a mandatory requirement for all categories of inventory systems. UIDs provide the ability to discretely identify and track items (e.g., spare parts and supplies) through the acquisition, issuance, maintenance, storage, transfer, expenditure and/or disposal processes. Use of the field is at the discretion of each agency head, depending on the cost effectiveness of implementing UIDs. However, the mandatory existence of the field allows for room to grow – in a common way throughout government.

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Exposure Draft on Framework for Federal Financial Management Systems

The JFMIP Framework Working Group, co-chaired by John Gilligan, Chief Information Officer, Department of the Air Force, and Kathleen Turco, Chief Financial Officer (CFO), General Services Administration, forwarded an exposure draft of the revised *Framework for Federal Financial Management Systems* to the JFMIP Steering Committee for review. After the Steering Committee approves it, the exposure draft will be made available to the public for review and comment on the JFMIP website.

Since the Framework document was first published in 1995, there have been many changes in financial management legislation and policies, advances in technology, and higher user expectations driving the need to update it. The new environment has set forth another shift in the financial systems environment from one where financial systems planning can no longer take place within an isolated environment or “stovepipe” to one that now must be integrated with enterprise-wide goals. JFMIP reached out to both the Information Technology (IT) as well as the financial management communities, to align the new Framework with the Federal Enterprise Architecture. JFMIP also worked with the central financial management agencies, specifically the Department of the Treasury’s Financial Management Service, to produce a new Framework that for the first time achieves an enterprise-wide view of financial management.

The new vision for financial management is integrated services operating efficiently on common data that achieve financial control and support enterprise-wide program performance measurement. This means moving beyond timely and accurate reporting to achieving a readily available knowledge-based, performance focused financial information base for management. To get there, the future financial systems environment must move from a stove-piped environment to one of fewer and more centralized applications and services supported and enabled by integrated financial data.

The new Framework provides the vision and an illustration of the financial management environment that financial management systems of the future must be designed to support. For more information, contact Bruce Turner by email bruce.turner@gsa.gov or phone (202) 219-0533.



Joint Perspective

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measures and results, and linking this information in an organized way. The current administration has led the way. Certain tools, such as cost accounting systems that capture full cost of programs, are limited in agencies, particularly for programs funded by direct appropriations (as opposed to revolving funds or fees). Notwithstanding limitations in tools, progress in linking performance to resources will always be more difficult than financial reporting. Program outcomes are frequently influenced by factors outside the control of federal program managers. Evaluation of programs delivered through third parties (e.g. grants) may require more reporting than the political process is willing to demand. Changes in performance (e.g. health outcomes, educational outcomes, research and development outcomes) may require longitudinal assessments. In comparison, financial reporting that captures the flow of dollars (cash and accruals) consistent with defined business rules and standards for defined periods can more easily be accomplished.

Summary

In the course of a decade, the Federal government has come a long way in instilling financial management, financial reporting, and performance measurement disciplines. Financial reporting has advanced more rapidly, reflecting the decade long commitment of the professional financial management community and, perhaps, the comparatively better defined disciplines and institutions for establishing standards for financial management and reporting. The greatest potential value in decision-making will come when reliable financial information and performance information is systematically used in decision making. The foundations have been laid. But as 2003, financial reporting and program performance information does not consistently and predictably influence resource levels for federal programs. The sustained management commitment by the Executive and Legislative branches necessary to fully realize this vision can only occur when the public consistently and predictably demands this type of accountability and acts through the political process to achieve it.



GAO Report on Federal Financial System Weaknesses

The General Accounting Office issued a report in September 2003 on *Sustained Efforts Needed to Achieve FFMIA Accountability* (GAO-03-1062). The ability to produce the data needed to efficiently and effectively manage the day-to-day operations of the Federal government and provide accountability to taxpayers has been a long-standing challenge to most federal agencies. To help address this challenge, the Federal Financial Management Improvement Act of 1996 (FFMIA) requires the 24 Chief Financial Officers (CFO) Act agencies to implement and maintain financial management systems that comply substantially with federal financial management system requirements, federal accounting standards and the U.S. Government Standard General Ledger (SGL). The Act also requires GAO to report annually on the implementation of the Act.

For fiscal year 2002, 19 of the 24 CFO Act agency inspectors general or their contract auditors reported that agency financial management systems did not comply with FFMIA. The nature and seriousness of the reported problems indicate that, generally, agency systems do not have the capability to produce reliable, useful and timely information needed for accountability, performance reporting, and decision making. Audit reports highlight six recurring problems related to noncompliant systems, nonintegrated financial management systems, inadequate reconciliation procedures, lack of accurate and timely recording, noncompliance with the SGL, lack of adherence to federal accounting standards, and weak security over information systems.

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JFMIP Welcomes New Staff

The JFMIP welcomed three individuals who are participating in developmental programs at its staff office.

Linda Hiatt, an Executive Leadership Program (ELP) participant, is a Management Analyst at the Nuclear Waste Technical Review Board (NWTRB) in Arlington, Virginia. This Board is to oversee the characterization of a site for storing nuclear waste. While on a 30-day rotational assignment at JFMIP that began on June 30, Ms. Hiatt broadened her knowledge of federal financial management by participating in meetings with JFMIP Steering Committee and federal agencies. Prior to joining the NWTRB staff, she worked at the Department of Agriculture (USDA) in Washington, DC and held positions in the private sector in Montrose, Colorado.



Harry Jacobs

operation of Information Technology (IT) and provides technical expertise with an emphasis on Local Area Network management. Prior to joining the DOE, Mr. Jacobs served as the Senior Information Management Specialist with Affiliated Computer

Harry Jacobs is an Executive Potential Program (EPP) participant on a 60-day developmental assignment at JFMIP. He is working on a variety of financial management issues, developing articles for this newsletter and will work on an analysis of financial management processes. Mr. Jacobs is an Information Technology Specialist in the Office of Policy and International Affairs for the Department of Energy (DOE), where he is responsible for the design, procurement, implementation, and successful



Katsuhiko Hara

Katsuhiko Hara, under the auspices of the United States Department of State's International Visitor Program. Mr. Hara believes that Japan needs to establish an independent institution to reform and oversee performance audit standards throughout the government, adopt universal Government Accounting Standards and standardize Japanese governmental accounting.

While on his 3-month assignment at JFMIP, he plans to obtain an overall understanding of the processes and factors that set up specific U.S. Federal government offices. He will be collecting information from the central financial agencies, Office of Management and Budget, Department of the Treasury and General Accounting Office, as well as the JFMIP and the Federal Accounting Standards Advisory Board.

Mr. Hara is a financial auditor with the Maritime Defense Audit Division, Board of Audit of Japan. Prior to that, he held auditing positions at the Agriculture Audit Division and Forestry Audit Division with the Board of Audit. He has a LL.B from Doshisha University in Kyoto, Japan.



Services providing IT support to the Office of Management and Administration, Office of Security Operations, and the Office of the Secretary at DOE. Mr. Jacobs has 18 years of computer related experience with other private companies.

The ELP and EPP are government-wide programs to develop future leaders in the Federal government. Both programs are sponsored by the Graduate School, USDA.

JFMIP is hosting a foreign visitor,

System Requirements on Inventory, Supplies and Materials Finalized

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The UID is a unique, unambiguous string of alpha-numeric characters that enables the identification of a specific asset from any other like or unlike it. In layman's terms, a good example is the vehicle identification number on a car – using this single number, you can tell one light blue 2002 Buick Regal from every other light blue 2002 Buick Regal. The structure of the UID as proposed provides a way for any manufacturer to ensure that the UID assigned to a product will not be duplication either by themselves or any other company world-wide. For the Department of Defense, the

use of UIDs is critical to the success of the DoD Financial Management Enterprise Architecture (FMEA). Such events trigger financial transactions that must be accurately and timely recorded in both non-financial feeder (business) and financial systems. A universal identifier code for tangible items will facilitate the discrete recordation of such events. For more information, contact Elvon Lloyd at elvon.lloyd@gsa.gov.

FMS Introduces the Account Statement

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Use of both the TAS and BETC will ensure transactions are processed correctly by FMS and easily identified on the Account Statement. FMS, in partnership with the Federal Reserve Bank of St. Louis, is developing an on-line tool, which FPAs will use to select the appropriate TAS and BETC to identify and process their financial transactions. The on-line tool will also allow the selection of a phrase such as "parking fees" and the tool will convert the phrase into the appropriate TAS/BETC combination.

The TAS and BETC will be captured with the transactions in the current systems interfacing with the GWA System used by FPAs. The program owners of these systems will work with customers to ensure that required changes as well as schedules for implementation have been announced. FMS is in various stages of working with the interfacing systems, as each system will develop its schedule based on available resources, other changes planned, and current business constraints.

Right now, the new Account Statement application augments the current Undisbursed Ledgers and Trial Balances with a new, easy-to-read format and access method; however, the Statement contains the same level of detail at the same frequency of submission as today. Currently the Account Statement is produced from the same data

maintained in the current central accounting system that is based on monthly agency reporting. Some transactions today such as Warrant and Non-Expenditure Transfer transactions are posted on a daily basis and will be posted to the Account Statement on the same schedule. When all transactions are reported on a daily basis and posted to the Account Statement with the same frequency, the need to classify transactions on the various Statements of Transactions and to reconcile the Fund Balance with Treasury via the various reports from FMS will be eliminated.

Later releases of the Account Statement will include additional levels of detail and possibly the ability to reclassify transactions directly from the Account Statement. FMS also plans to link other FMS systems in the payments and collections areas to the GWA System to allow drill-down access to the details of each transaction as applicable in those systems.

FMS is developing a schedule of training sessions for the Account Statement as well as enrollment requirements. The schedule of sessions will be posted on the GWA web site www.treas.fms.gov/gwa/ and will include local and regional sessions in cities such as San Francisco, Austin, Philadelphia, and Kansas City.



NASA's Integrated Financial Management Program

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Benefits Realized to Date

IFMP has successfully implemented its first five modules on schedule and on budget. With the Core Financials module now in place, managers are beginning to accrue the benefits of a single agency data source. Following is a brief overview of the history, capabilities, and benefits of the five modules currently deployed.

Core Financials and Erasmus (Executive Financial MIS)

Less than two years ago, the International Space Station Management and Cost Evaluation Task Force Report called for NASA to adopt management control systems allowing the agency to better manage its resources. Improving Agency financial credibility and accountability is important to NASA's future, as it will enable NASA to spend more time focusing on its core mission of scientific research and exploration.

To address this need, NASA embarked on the implementation of a comprehensive system solution based on SAP as its software

platform provider with support from Accenture and Computer Sciences Corporation. The Core Financials module, as implemented, incorporates very few software modifications and includes 60 external application interfaces including a third party product for bankcard management. This module serves as the backbone of the Agency's integrated financial management system. It facilitates information exchange with end-users and stakeholders, and serves as the technical underpinning for NASA's e-Commerce and e-Government initiatives. Finally, Core Financials supports the upcoming requirement for full cost management by establishing Agency-wide standards for a broad range of accounting and budget execution processes and financial reporting.

There are over currently 4,500 regular users of the Core Financials system and more than 7,000 individuals have logged onto this application since it went live at the first Centers (MSFC and GRC) in October 2002.

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Management Focus of the Future: Financial Reporting

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the overwhelming majority of agencies receiving clean audit opinions on their financial statements.

Why was this done? The answer is because it was mandated. Producing accurate and consistent financial information—the two of the four essential elements of financial reporting—have largely been accomplished to comply with legislatively and administratively imposed requirements. These foundation elements are necessary, but not sufficient to achieve the full value of financial reporting. Reporting timeliness and usefulness must also be addressed and have become the most recent focus.

The CFO community, under the leadership of Secretary O'Neill and OMB Director, Mitch Daniels, led the way in improving the timeliness of financial reporting. The acceptable time for producing accurate and consistent financial reports changed from 5 months after the close of the fiscal year in 2001 to 45 days after the close of the fiscal year in 2004. Achieving that changed standard of “timeliness” requires improvements in business process and information accuracy throughout the year. This was done, not because Congress or an accounting standard mandated it, but because government leaders recognized that it was something that we could and should do to improve the management of government. Moreover, in 2003, over half of federal agencies expect to meet the 45 day close.

While these steps demonstrate significant progress, I would highlight a major deficiency in the accuracy of financial information that must be corrected. That is in the recording and accounting for intragovernmental transactions. In the most recent government-wide financial statement, the amount of the aggregate

differences due to accounts that did not match was about \$300 billion. There is no magic central agency solution. Correcting this problem requires understanding the process and bringing attention to detail in recording needed information at the point where the transactions take place. This may be hard, but it is basic to accurate and consistent financial reporting.

Useful is final element of good financial reporting. Does financial reporting inform the public by providing critically important performance information? Here lies the greatest challenge and the potentially greatest benefit that can result from financial reporting.

Congress tried to mandate the production of useful information through the passage of the Government Performance and Results Act. However, the result has been the production of lengthy and detailed reports that are largely unread, much less understood. Usefulness comes from presenting information in common terms so people understand what is going on and making it relevant for them. The Management's Discussion and Analysis (MD&A) portion of financial statements is an ideal opportunity to present critical information in a creative manner to engage policy makers, program managers, and the public in addressing major public policy issues.

For example, there is currently a huge gap in accounting standards that govern social insurance. Consequently, information produced does not meet the usefulness test because social insurance information is too much and indigestible. The FY 2002 government wide financial statement MD&A presented the “big picture” regarding social insurance and other “promises”. That is obligations and “promises” associated with Social Insurance, when added to the traditional liabilities, results in total federal obligations on the order of \$33 trillion. And the short fall in funds to meet some of these promises will occur in the near term, as opposed to some distant future. This put the

figure out there to engage the debate. You have to put the numbers out there to have a useful discussion.

The test of usefulness is whether the information presented in the MD&A is informing the debate. Every agency has the opportunity to focus their information to frame the key issues. Focusing attention on the critical numbers is the real leap in financial management.

Why is meeting all the elements of good financial reporting important? Well its good public policy. It also certainly makes the job of financial management more interesting. However, the real reason is to establish credibility. And credibility is the foundation of trust.

We have seen the impact of the loss of public trust in publicly traded companies. Once that occurs, the public is unwilling to invest and the company will not be able to raise capital. Too often, government credibility is equated with that of ENRON, an entity that deliberately manipulated information to deceive the public. Too often government budget formulation and reporting is viewed as “games and gimmicks” designed to ignore the true financial position of government. Failure to close this credibility gap puts the government at risk. For instance, the federal income tax system operates on the basis of essentially voluntary compliance. Over time, erosion of public trust could actually undermine the willingness of the public to voluntarily comply.

So the end game for achieving all the elements of financial reporting is maintaining public trust. Trust is hard to earn and essential when dealing with finance.

¹ Remarks excerpted from the Keynote address by Donald V. Hammond, Fiscal Assistant Secretary of the Department of Treasury at 13th Annual Government Financial Management Conference, Washington, D.C., August 12, 2003.



NASA's Integrated Financial Management Program

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Staff and Recruiting System (STARS)

The Resume Management module, now known as the NASA Staffing and Recruiting System (STARS) was the first IFMP module to be implemented across the Agency from July to December of 2001. This module, like all IFMP modules, relies on a commercial-off-the-shelf (COTS) application called Resumix. However, Workforce Technologies developed several custom extensions.

The implementation of STARS was quite successful and this application significantly improved the Agency's ability of the human resources community to solicit and evaluate prospective NASA job applicants. Using this web-based application, applicants can search

through NASA job listings for those that match their skills and generate resumes online. In addition, NASA human resources staff can:

- Generate job listing
- Internet job postings for NASA personnel and the public
- Rating and ranking of applicants to expedite hiring, and
- Creation of an applicant and skills database accessible across the Agency.

To date, the STARS system has processed more than 50,000 applications and saved more than 40,000 hours annually in time spent rating candidates, resulting in a quicker overall application

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FASAB Update

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the types of activities that result in a dedicated or earmarked fund, segregate the net positions-cumulative results of operations—resulting from these activities from general fund activities, and require disclosure of changes net assets supporting future activities. The staff is also including a paragraph specifically addressing accounting and reporting treatment at the government-wide level. A ballot draft is anticipated for vote at the October Board meeting. Contact Andrea Palmer McKinney, 202-512-7360, mckinneya@fasab.gov.

Natural Resources

The objective of this project is to develop an accounting standard for the oil and gas natural resources owned by or under the stewardship of the Federal government. The FASAB staff will continue to research current reporting practices for oil and gas information, specifically addressing the possibility of capitalizing the costs associated with preparing the government's Oil & Gas Assessment. The staff began drafting an exposure draft and is developing pro forma disclosures that could be included in entity financial reports. The staff is also researching how the proposed recognition of oil and gas resource collections and disbursements would affect an entity's Statement of Custodial Activities. For more information, contact Monica Valentine, 202-512-7362, valentinem@fasab.gov or Richard Wascak, 202-512-7363, wascakr@fasab.gov.

Leases Project

The staff has begun research on leases and leasehold improvements reviewing lease accounting under FASAB, Financial Accounting Standards Board and the Government Accounting Standards Board and international public sector accounting and a review of the current use of leases by federal entities. A summary paper on the treatment of lease accounting by various standard setting bodies and issues relating to lease accounting will be presented at the October Board

meeting. For more information, contact Susan S. K. Lee, 202-512-3522, LeeSK@fasab.gov

Accounting and Auditing Policy Committee (AAPC) Exposure Drafts Released

AAPC has issued two exposure drafts of Federal Financial Accounting and Auditing Technical Releases (TR) entitled *Auditing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act)* and *Preparing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act)*.

The purpose of proposed Technical Release 3 is to amend the guidance for auditors to audit credit subsidy estimates provided in the original technical release (July 1999). The most significant changes made in this amended TR 3 are (1) the removal of the preparation guidance from this amended TR to only include the audit guidance and (2) procedural changes updating the document to reflect new guidance and changes in terminology in the area of credit reform (e. g., SFFAS 18 & 19; and OMB Circular A-11). The purpose of proposed Technical Release 6 is to amend the implementation guidance for agencies to prepare and report credit subsidy estimates provided in the original technical release (July 1999). The most significant changes made between the original TR3 and this amended TR are (1) the removal of the audit guidance from this amended TR to only include the preparation guidance, (2) clarification of OMB's role in the credit subsidy estimation and re-estimation process; and (3) credit subsidy re-estimates may now include 6 months of actual data and 6 months of projected estimates.

All comments on the content of both exposure drafts are welcome. Responses are requested by October 5, 2003. An electronic version of the exposure draft is available at www.fasab.gov/exposure.htm. Printed copies can be obtained from FASAB by calling 202-512-7350.



THE FINANCIAL MANAGEMENT SERVICE:

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ultimately, when the full potential of this transformation is realized, FMS will not just be providing "better" service; it will be providing service at a level that was unimaginable just a few years ago.

The FMS business transformation boasts a number of significant features and benefits:

- ◆ The Web-based architecture that provides the foundation of the transformation at FMS will break down programmatic "stovepipes" and move programs to a common Web-based platform so that multiple functions can be accessed on one platform, rather than treat the various fiscal functions – such as payments, collections, governmentwide accounting, debt collection and other functions – as separate, independent business activities.
- ◆ Procedures that govern agency-FMS interaction will be more standardized, so there will be fewer access points to FMS'

systems, and there will be less overlap and redundancy in those systems as well as in agency reporting requirements.

- ◆ There will be a single security model for agency-FMS interaction rather than a complex array of multiple security mechanisms.
- ◆ The new infrastructure will allow much faster processing of information and service-related functions.
- ◆ There will be significantly fewer sources of FMS data for customers, and as a result, since vast amounts of data and information will be easily accessible on the Web, the new model will shine a light on antiquated processes and enable FMS, as well as external agencies and agency personnel, to "connect the dots" in a way that was not previously possible – over time, this will drive further efforts to enhance

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government business practices.

- ◆ Finally, exciting new technologies are going to enable FMS to employ the principle of “service architecture” where a “service layer” will be created between FMS and its customers. The way this works is that FMS will design systems that include specific interface specifications so that customers can in turn build systems to communicate with the FMS programs they use. In order to access FMS programs, agencies will design systems based on the interface specifications issued by FMS. The benefit of this capability is that agencies will no longer face the burden of updating their systems every time FMS updates its systems; rather, when FMS makes incremental improvements to systems, compatible interface specifications will be built into the upgrades. The bottom line: customers will see more benefits but fewer burdens in future upgrades.

And all of this is just the beginning. The architecture for fiscal operations is literally being remade based on new strategic assessments and employing cutting edge technological capacity, and there is no doubt that a few years from now, the process of conducting financial management activities with FMS will look dramatically different.

Looking Forward – What Should Agencies Be Doing to Prepare for Transformation?

As FMS develops and implements new systems, it is working closely with the agencies and the agency personnel that use the systems and services FMS provides. In the months and years to come, FMS will usher in a whole host of modernization initiatives. As such, a common question is: what can agencies and agency personnel do to be ready and what role can they play?

Since every new system at FMS is designed for the customer, this is a critical question. FMS wants its customers to be involved as partners every step of the way.

Beyond keeping in touch with FMS and taking full advantage of the feedback and training opportunities FMS sponsors, there are many things agencies and agency employees can do to position for the future. First and foremost, agencies and personnel need to be open to the opportunities and the potential that transformation offers. As FMS modernizes its business model, for example, agencies will be able to follow suit and update their ways of doing business. As FMS adopts a more flexible Web infrastructure, agencies will in turn have more flexibility to streamline the processes they have created to interface with FMS. Accordingly, they should begin to think about how to consolidate and standardize access points to Treasury, and should be prepared to revisit proprietary or customized functions that they now conduct with FMS. While some of these areas may require a change in systems and a change in mindset, ultimately the new model FMS is constructing will serve agencies much more effectively.

In the future, FMS will continue to investigate ways to move more government functions to Web-based applications and will continue to develop new and creative ways to streamline government processes. As we move forward, FMS welcomes the partnership of its customer agencies and stakeholders.

Overview of Major FMS Initiatives

The following programs and initiatives represent some of the key FMS business lines, which are being modernized to better meet customer agency needs:

Governmentwide Accounting - Accelerated Reporting (<http://fms.treas.gov/gwa/>): FMS oversees the federal government's central accounting and reporting (keeping track of monetary assets and liabilities) and works with federal agencies to adopt uniform accounting and reporting standards and

systems. FMS is currently working on a Governmentwide Accounting (GWA) Modernization Project to provide more timely, useful and accurate federal financial information.

On-Line Intra-governmental Payment and Collection – IPAC (<http://fms.treas.gov/goals/ipac/>): The Intra-Governmental Payment and Collection (IPAC) System is a key component in the government on-line accounting system. Its primary purpose is to provide a standardized interagency fund transfer mechanism for federal agencies. Changes to IPAC are scheduled for October 11, 2003 that will support GWA modernization and standardization of business processes for intragovernmental transactions.

Revenue Reporting – CASHLINK (<http://fms.treas.gov/cashlink/>): Cashlink is the core FMS product used to manage the collection of government funds. Upgrades to this system to make it web accessible are underway, and should be complete by the end of 2003. The new system is Cashlink II. Several hundred banks that report revenue for FMS went live on the new system on September 2, and it will be rolled out to agencies during the October-December 2003 timeframe.

Collections Portal - PAY.GOV (<https://www.pay.gov/core.app/index.jsp>): One of FMS' most exciting e-commerce initiatives is Pay.gov. Launched in October 2000, Pay.gov is a secure governmentwide collection portal. Pay.gov provides four main services — collections, form submittal and bill presentment, authentication, and agency financial reporting. New versions of Pay.gov will be released in the months to come. Version 2.5 is scheduled for November of this year, and Version 3.0 is scheduled for Spring 2004.

Payment Certification – SPS (http://fms.treas.gov/sp/questions_schedule.html): The new Secure Payment System (SPS) will replace the existing Electronic Certification System, used by programming agencies to

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The Role of Estimation in Accelerated Reporting

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and emphasized the importance of collaborative efforts between financial statement preparers, IGs, and auditors to develop and utilize estimates.

Cash and Accounts Payable at the IRS

Building upon a clean audit opinion on its FY 2002 statements, IRS turned its attention to improving analysis and reporting efficiency. For FY 2003, IRS refined its use of estimates and accruals. During the planning process, the IRS auditor, the U.S. General Accounting Office (GAO), supported the IRS's continued use of an estimation model to avoid devoting excessive effort to calculate and record accruals at the transaction level.

IRS focused primarily on estimation/accrual processes for operating expenses other than payroll. Although payroll is the largest component of the IRS operating expenses, the accrual of payroll is less complicated. The IRS uses a separate monthly accrual process for expenditures excluded from the estimation model. This

separate monthly accrual process is based on analysis of historical data, current year trends and uses simple arithmetic to calculate the accrual estimates, despite IRS being a large and complex organization. IRS centralizes estimation policy and oversight of estimate calculations, but decentralizes recording/allocation of the results within IRS components.

IRS also instituted a new estimation procedure for FY 2003, for major contract accruals. IRS works with the acquisition organization, beginning in August, and requests estimates from the agency's largest vendors for anticipated expenditures for the remainder of the fiscal year. IRS still must devote significant resources to review invoices on hand and conduct analysis and follow-up of any significant variances between vendor estimates and in-house estimates.

IRS described the process of developing estimates as an evolution. Estimation is not a perfect process, but it is working very well. However, questions were raised about how successful other agencies might

be in attempting to obtain accelerated or estimated data from their respective contractors. A key to estimation is to compare estimates to prior year results and identify anomalies. It is critical to work closely with auditors to get their endorsement or there is the potential for significant wasted effort. Statement preparers should put their 'auditor hat' on and ask themselves 'what would the auditor want to see?'

Grant Accrual at HHS

HHS is a "grant-making machine." comprised of twelve (12) HHS bureaus, including the Centers for Disease Control (CDC), National Institutes of Health (NIH), and others. HHS makes two basic types of grants (1) block grants to state and local governments, for which expenses are incurred as disbursements are made (i.e. there are no Expenses Incurred But Not Reported (IBNR) claims, and (2) non-block grants to

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NASA's Integrated Financial Management Program

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process. The number of applicants per job has increased from at least 2 times to up to 10 times across the Centers. Logistics Management Institute served as the software implementers with support from Computer Sciences Corporation.

Travel Manager

The Travel Management module, Travel Manager, is based on software developed by Gelco and was implemented with support from Gelco and ConITS in a single instance across NASA in April 2003. Travel Manager was fully integrated into SAP's Core Financials applications in June 2003.

The Travel Management module is a robust solution for managing employee expenses for travel and other related needs. This module streamlines and unifies NASA's employee travel procedures in order to improve traveller and vendor reimbursement and reduce the paperwork required for travel document generation. Salient features of Travel Manager include

automatic calculation of per diem rates, electronic routing of authorization and approval documents, on-line audits, electronic signatures, and electronic funds transfer. Travel manager currently supports the processing of 5,000 – 10,000 vouchers per month.

Executive Financial Management Information System (Erasmus)

Erasmus, named after a Renaissance humanist who sought enlightenment through the study of basic and unvarnished facts, is an internally-developed, web-based, high-level management information system providing financial performance information on NASA programs and projects in a standard reporting and presentation format. Through Erasmus, managers can get quick access to key project and program metrics including progress reports, schedules, funding status, risk analysis and personnel status. The International Space Station Management and Cost Evaluation Task Force

Report cited such information in 2001 as a critical need for NASA.

While the IFM modules are in development stage, Erasmus, in its current version, is an interim solution. The IFM program is planning the deployment of upgrades to Erasmus comprising even more comprehensive business information and analytical capabilities in the post-IFMP implementation environment. Integration of Erasmus with the financial data warehouse will be complete in 2004.

Erasmus is available to all NASA personnel within the NASA.gov domain. SAIC served as the developer of Erasmus and Booz, Allen, Hamilton, the implementer.

Position Description Management (PDM) Module

The PDM module is a web-based tool, which enables the rapid generation and classification of position descriptions and the automatic generation of associated documents. NASA managers are able to use the web-based tool to define the series and

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NASA's FM Program

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grade of positions, adjust descriptions to meet managerial constraints and align them with evolving competency management taxonomies. The resulting positions are then shared across NASA Centers which saves managers time in developing their own descriptions and supports the increased Human Capital staffing consistency Agency-wide.

Beyond Finance

Following the rollout out of the Core Financials module, a significant amount of effort is now dedicated to help the various constituencies around the Agencies, such as budget formulation and execution, procurement, project management and human capital, learn how to effectively use the system and leverage the return on investment of this new system. This is the responsibility of NASA's Competency Center, the organization responsible for ongoing user and technology support for all deployed modules.

NASA is currently upgrading the system to also provide the capability for full cost budgeting and accounting and planning under a new budget structure directly aligned to the Agency's strategic plan. NASA is continuously improving system efficiency, user friendliness and information flow beyond the systems original users. NASA will deploy an "Enterprise upgrade" addressing most of those improvements in FY2004.

Finally, the full benefits of the integrated financial system will not be fully realized until the successful deployment of the new capabilities and benefits found in all planned modules has taken place. Even then, NASA's ability to capitalize on its investment requires the Agency to overcome significant obstacles. NASA's strength lies on leveraging individual Center capabilities in the design and operation of highly complex scientific, technology, and engineering projects. Management at the Centers are used to autonomous and often incompatible decision-support information tools. NASA's new enterprise solution will require managers to adopt several agency-wide standard applications and processes. This will require the timely retirement of many Center-unique legacy systems, the avoidance of discrete system customizations by individual NASA organizations and the adherence to standard processes. NASA expects this cultural evolution to take several years beyond the 2006 complete implementation of the Integrated Financial Management Program.

The technical aspects of the way forward are also challenging. The nature of the business systems is complex and in many cases driven by unique Federal requirements. Although the basic concept continues to rely on leveraging commercial off-the-shelf (COTS) systems, to date, there are still few successful Federal "role models" in this undertaking. Finally, all Enterprise Resource Program (ERP) implementations require strong and effective management. So far, NASA has been fortunate to have the leadership commitment of individuals at every level and a high caliber project team. However, retaining leaders throughout the lengthy lifecycle of a complete program implementation could prove difficult.

The implementation of Core Financials module and its related four other applications is a notable accomplishment for the IFMP team but the Agency realizes that this pioneering effort is still in the mid-course stage on its trajectory to its intended destination.

More detailed information about the IFMP is available on its website at: (<http://ifmp.nasa.gov>).



GAO Issues Exposure Draft on Human Capital

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development programs provides agencies with the opportunity to empower employees and improve performance. Throughout the training and development process, GAO emphasizes the importance for top leaders to communicate across the organization that investments in training and development are expected to produce clearly identified results. Along with these key executives, GAO's framework states that the agency's training and development organization should be held accountable for the maximum performance of the workforce. Likewise, agency managers and employees also have important roles—their input and actions have a critical effect on the success of training and development activities. Key questions the guide raises regarding the implementation of training and development programs include what steps agency leaders take to communicate the importance of training and developing employees and expectations for training and development programs to achieve results; whether agency managers are held responsible for reinforcing new behaviors, providing useful tools, and identifying and removing barriers to help employees implement learned behaviors on the job; and how employees are encouraged to buy in to the goals of training and development efforts, so that they participate fully and apply new knowledge and skills when doing their work.

Evaluation

GAO's framework emphasizes that it is increasingly important for agencies to be able to evaluate their training and development programs and demonstrate how these efforts help improve the agency's performance and develop employees. Because the evaluation of training and development programs can aid decision makers in managing scarce resources, agencies need to develop evaluation processes that systematically track the cost and delivery of training and development programs and assess their benefits. According to GAO, the investment in developing and using measures of efficiency and effectiveness far outweighs the risk of inadequate training. Its key questions for this component address issues such as the extent to which the agency systematically plans for and evaluates the effectiveness of its training and development efforts; how the agency incorporates evaluation feedback into the planning, design, and implementation of its training and development efforts; and how the agency tracks the cost and delivery and assesses the benefits achieved through its training and development programs.

Summary

GAO concludes that assessments of training and development programs using GAO's framework can further identify and highlight emerging and best practices, provide opportunities to enhance coordination and increase efficiency, and help develop more credible information on the level of investment and the results achieved across the federal government. Training and development approaches, and how they operate in conjunction with other strategies to improve individual and organizational performance, are continually evolving and changing, as agencies struggle to enhance and improve their training and development efforts. GAO believes that by thoroughly assessing agencies' training and development activities using its

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The Role of Estimation in Accelerated Reporting

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colleges and universities, for which IBNR estimates/accruals must be made.

HHS received qualified audit opinions on their FY 1996 and 1997 financial statements. A major contributor to the grant expense qualification was the lack of recording unreported grantee expenditures consistent with SFFAS No. 5, Accounting for Liabilities in the Federal Government. HHS based its grant accrual methodology on regression analysis approach employed by the Department of Education (Education). The HHS estimation model is intended to calculate those IBNR for the time period for which grantees have incurred but not reported expenditures, for the purpose of preparing financial statements and completing an audit by the required due date.

HHS' Payment Management System (PMS) is the Department's grant disbursement and management system. HHS grantees access PMS for payments that must be spent within 3 days of disbursement. Grantees report expenditures quarterly on PSC272 reports. Other grant-making agencies cross service with HHS to use PMS. HHS conducts a quarterly accrual based on a minimum five years' of 272 data using a simple linear regression analysis. HHS conducts the quarterly analyses in order to protect against or more readily identify and factor in anomalies and unanticipated events (e.g., a spike in appropriations).

Since the department-wide grant accrual methodology was implemented, the qualification was removed from the financial statement audit opinion. HHS reviews the methodology annually to identify opportunities to implement new procedures and improvements.

Credit Reform and Estimation Consistency at Agriculture Department

USDA went from receiving a disclaimer of opinion on their FY 2000 & 2001 financial statements to an unqualified opinion in FY 2002. USDA representatives attribute this improvement, in part, to their efforts in the area of developing estimates and recording accruals for their credit programs in their financial statements. The Commodity Credit Corporation (CCC) has some of USDA's largest credit reform programs. CCC's portfolio of foreign receivables is one of the U.S. Government's largest. The reestimate of subsidy for CCC's programs is critical, i.e., material, from financial statement and audit perspectives for CCC, as well as for USDA. Problems

with CCC's credit reform reestimate was a contributing factor to the disclaimer of opinion on the FY 2000 audit.

USDA echoed the importance of working with the IG/auditor early on and throughout the process of developing estimates. USDA subsidy cost estimation models, built predominantly on estimates, are intended to estimate the present value of the long-term cost of USDA credit programs. These estimates and accruals are dependent on a variety of third party data, including country credit risk assessment grades from OMB and interest rates from Treasury. OMB expects to make economic assumptions available in mid-September, and Treasury expects to provide interest rates at the end of the fiscal year. USDA must also work closely with the State Department and Treasury on other matters such as restructuring or rescheduling loans and write-offs. From an audit perspective, key questions that management must ask itself are: "Are the models reliable?" and "How do we know?"

USDA has reached tentative agreement with its auditors and OMB to base their estimates/accruals on actual financial data as of the end of August, rather than as of the end of September, as has been done in prior years, subject to USDA estimating/accruing information for the remainder of the fiscal year. Since subsidy estimation impacts both budgetary and financial functions of the Department, personnel from both sides must work in close collaboration, in cooperation with three key OMB function areas – program examiner, federal financial management, and credit oversight to ensure all concerns are met.

Consistency of estimates, accruals, methodologies, models, etc. is critical to continued preparation and audit of financial statements. Prior to FY 2002, USDA estimation and accrual processes were decentralized among the Department's components, which generated variances. For FY 2002, USDA centralized its estimation processes, similar to HHS' centralized approach to grant accrual, and issued guidance to its component agencies. As a result, USDA now has two years of more consistent data at both the component and Departmentwide levels. This consistency facilitates the audit process.

Audit Perspective

Auditors must identify what can go wrong and controls for an estimation transaction. Auditors must also typically perform walk-through procedures for an estimation transaction; must design tests of controls for an estimation transaction; and must develop substantive test procedures. During the audit process, auditors must walk-through transactions and controls, including as applicable the related IT controls. Due to the nature of estimation processes, auditors

can frequently gain an understanding of the transaction, identify and understand controls, and conduct the walk-through at the same time. The auditor must determine how to walk through the controls and determine if assistance is needed.

Documentation considerations are significant to understanding and evaluating processes and controls. Since the purpose of the documentation is primarily to help auditors identify where errors could occur, they concentrate on documenting (1) major input sources; (2) important data files (e.g., customer and price master files), documents, and records, and (3) significant processing procedures, including on-line.

Auditors seek to understand and evaluate (1) major classes of estimation transactions; (2) significant non-routine transactions; and (3) the financial statement close process and the related controls. Auditors must perform tests of details including accounting estimates. Procedurally, the auditor should typically adopt one or a combination of three approaches in the audit of an accounting estimate, (1) review and test the process used by management to develop the estimate, (2) use an independent estimate for comparison with that prepared by management; or (3) review subsequent events that confirm the estimate.

With regard to reviewing and testing the process used by management, the steps ordinarily involved are, (1) evaluation of the data and consideration of assumptions on which the estimate is based; (2) testing of the calculation involved in the estimate, comparison, when possible, of estimates made for prior periods with actual results of those periods, and (3) consideration of management's approval procedures.

In sum, estimates and accruals can be developed at the summary/macro/agency/level or decentralized/stratified/compartmentalized. Each approach has advantages and disadvantages. If broken up into smaller pieces, tracking is more difficult, e.g. to ensure that all accruals are reversed in the following period and to perform "look back" analysis to compare estimates/accruals with actuals. Constant collaboration and cooperation among agency, OIG, and auditor personnel is critical. Some agencies employ audit committees to address a myriad of audit issues, including estimation. If an organization is going to have an audit committee independence is critical to ensuring objectivity.

More detailed notes, as well as agency contacts on the issues discussed above, may be found on the Financial Acceleration Committee homepage at www.cfoc.gov.

THE FINANCIAL MANAGEMENT SERVICE:

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certify the legality, validity, and accuracy of their payments. SPS will be more efficient, more user-friendly, and will be Web accessible, while providing greater integrity and security. FMS is preparing for a January 2004 agency rollout. The process is expected to take about six to nine months.

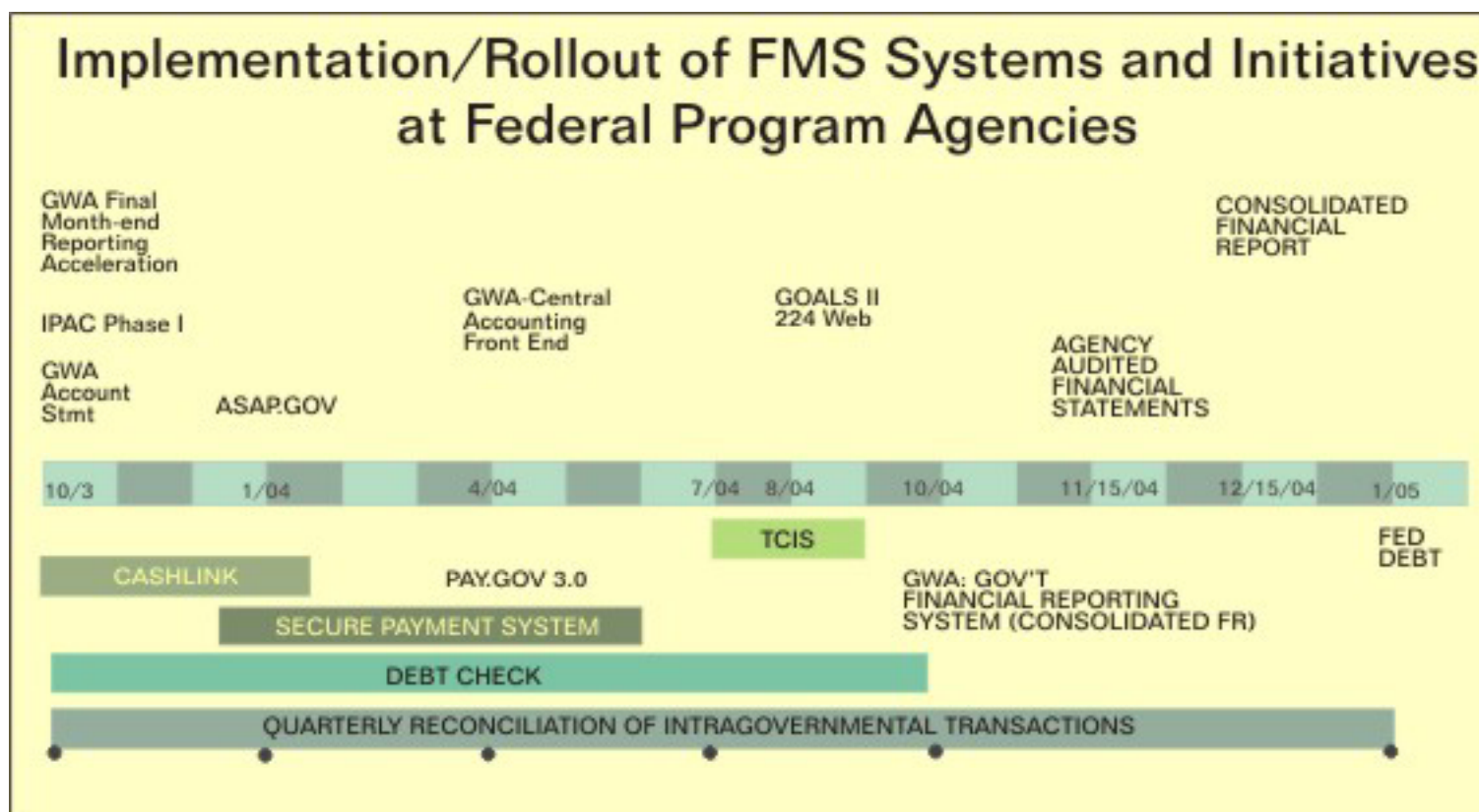
Grant Payments - ASAP.GOV (<http://fms.treas.gov/asap/>): ASAP (Automated Standard Application for Payments) is an all-electronic grant payment and information system, and ASAP.gov is a web-based version of ASAP now being developed. Twenty-one federal agencies currently use ASAP, but will transition to ASAP.gov in December 2003 through January 2004. FMS expects disbursements to dramatically increase as new users are brought on-line during 2004 and 2005.

Check Payment and Reconciliation - TCIS ([for more information on TCIS, send e-mail to tcisinfo@fms.treas.gov](mailto:tcisinfo@fms.treas.gov)): In an effort to modernize and improve check aftermath mechanisms, FMS has been working with the Federal Reserve to develop a new system. The result, the new Web-based Treasury Check Information System, or TCIS, will provide FMS with an electronic office environment for check aftermath activities. The target date for TCIS to begin operation is calendar year 2004.

Delinquent Debtor Monitoring - DebtCheck (<http://fms.treas.gov/debt/>): DebtCheck is a significant new component of the FMS debt program that is designed to electronically identify delinquent debtors so that they can be barred, potentially, from receiving federal

loans, loan insurance, or loan guarantees. DebtCheck was successfully rolled-out with the Small Business Administration in late February 2003, and planning is underway for additional agencies with loan authority to participate by the end of 2003.

Debt Collection Modernization - FedDebt (<http://fms.treas.gov/debt/>): FedDebt is another new debt collection system, currently under development, that will replace the existing Cross-Servicing and Private Collection Agency management systems. The current debt management system is the original prototype system developed in 1995. FedDebt will be an on-line system that will enhance efficiency and effectiveness for FMS and agency customers. The target implementation date for the system is 2005.



The
2003
Donald L.
Scantlebury
Memorial Award for
Distinguished Leadership
in Financial Management
Improvement

The Joint Financial Management Improvement Program has an annual awards program to recognize excellence in financial management.

Known as the Donald L. Scantlebury Memorial Awards, this program acknowledges and honors the efforts of leaders from the Federal, state and local governments who have achieved notable improvements in financial management. The awards commemorate Donald Scantlebury, a leader whose ideas and actions brought significant advances to financial management.

The JFMIP recently posted the selection criteria for these Awards and other information on its website, www.jfmip.gov. Nominations should be submitted from Federal department or agency heads, and comparable senior officials in state and local governments. All nominations must be received by January 8, 2004 and there is an on-line nomination form.

The awards will be presented at the JFMIP 33rd Annual Conference on March 9, 2004 in Washington, DC. For more information, contact doris.chew@gsa.gov.

Intragovernmental Transactions Project Forum

The Intragovernmental Transaction (IGT) is a project that was initiated to address long-standing problems with intra-governmental exchange transactions between Federal agencies. These transactions are commonly referred to as buy-sell transactions, reimbursable agreements, interagency agreements, and Military Intradepartmental Purchase Requirement (MIPRS). The key objective of IGT is to standardize the process for acquisition of goods and services between federal agencies. Standard procedures and common data elements will be used to integrate disparate systems and processes across the federal government. The automated match of order, billing, and acceptance data will reduce payment and collection problems. The centralized repository will make transaction data visible to both trading partners and facilitate the reconciliation and elimination processes associated with financial reporting.

The IGT project has three major phases. The first phase involved the issuance of business rules to transform and standardize intragovernmental ordering and billing, which were issued on October 4, 2002, as OMB memorandum, M-03-01. The business rules also defined the governmentwide data architecture for intragovernmental transactions to enable universal electronic processes and to support governmentwide financial reporting requirements.

The second phase applied the Central Contractor Registration (CCR) concept to Federal agencies. All agencies engaged in intragovernmental exchange transactions were required to register in the Business Partner Network (BPN) by January 31, 2003, to

provide a single, standardized source of data. The BPN is the single point of registration and validation of supplier data accessed by all agencies. It includes the Central Contractor Registration database for commercial vendors and the Federal Registration database for federal vendors and their federal customers. The BPN registration number will be a Dun & Bradstreet Universal Numbering System (DUNS) number for civilian agencies and a modified Department of Defense Activity Address Code for the defense agencies. The BPN registration number provides a mechanism for agencies to identify federal trading partners below the two-digit Department level.

The third phase of the IGT is the deployment of an electronic commerce portal, also known as the IGTP, that will receive and route transaction data and maintain an associated data repository. The initial operating capability of the portal will be deployed on a limited basis in October 2003. Only those agencies that participated in the pilot phase this past summer will be required to use the portal to process rent and reimbursable information technology (IT) services. These agencies include GSA, the National Science Foundation, the Patent and Trademark Office, the National Business Center, and the US Geological Survey.


On August 7, the GSA-managed e-gov initiative, Integrated Acquisition Environment (IAE), hosted the IGTP Forum. IAE Program Manager Teresa Sorrenti and Janet McBride, IGT Project Director, introduced the program to an audience of over 400 financial and procurement professionals from 60 federal agencies. Presentations addressed the use of the portal to standardize the process of transacting business between federal agencies, best practices and lessons learned by pilot agencies during the recent testing, deployment targets, and planned enhancements for 2004.

As stated in a recent memo from the OMB Controller Linda Springer, all departments and major agencies that purchase goods or services from other Federal agencies are mandated to use the

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GAO Report on Federal Financial System Weaknesses

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Agencies have recognized the seriousness of their financial systems weaknesses, and by the end of FY 2002, 17 of the 24 CFO Act agencies were planning to or were implementing new core financial system. GAO emphasized that these agencies should adopt leading practices, such as top management commitment and business process reengineering. To download the full report, go to www.gao.gov/cgi-bin/gettrpt?GAO-03-1062. For more information, contact Sally Thompson, (202) 512-9450 or email thompsons@gao.gov. 

Need to Network?



Federal agencies now can update senior federal financial managers in our Web based directory, Federal Financial Managers Directory. Names, titles of positions, office addresses, phone numbers, email addresses and functional categories are identified. Check it out, and if your agency listing needs updating, contact donna.tebeau@gsa.gov.

<http://www.jfmip.gov/jfmip/FFMDirectory/>

Financial Management Profile:

Gwendolyn Brown

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Ms. Brown describes her own leadership style as being consistent with the popular Nike slogan "Just Do It!" She is effective by clearly defining the "end game" (outcomes) for her managers, giving direction or insight as to how the outcome can be achieved, and letting her managers manage to achieve desired results. In addition to providing an opportunity to discuss strategies to address unforeseen events, she believes that providing direction towards achievement of a desired outcome is important because it provides a valuable opportunity to mentor and help develop the leadership qualities and competencies of her staff. While many may be familiar and agree with the saying that "20 percent of the people do and the other 80 percent work", Ms. Brown believes that it is important to find the vaunted 20 percent amongst your staff, give those individuals direction and key responsibilities, and define a path such that the remaining 80 percent of the staff are actively involved. She believes that succession planning is a critical human resource issue facing many federal agencies and that in many instances skill redundancy is not in place to deal with unforeseen contingencies. At NASA, she encourages her managers to mentor and develop staff by ensuring that staff level employees are given responsibilities that provide opportunities to demonstrate excellence and leadership abilities. In general, federal agencies should closely examine the skills that are presently required to meet mission objectives and those that will be required in the future and map these skills and identify and fill gaps. Agencies can use forecasting models to understand how a given skill set changes or evolves over time and its impact on promotions, hiring, and attrition.

She believes that most of the problems that financial managers face today are those borne out of long-standing poor practices. One of the most challenging problems financial managers face today is the use of

antiquated computer systems used to process financial information. The 1990s reform efforts have been established to create new practices with new requirements that these systems cannot accommodate. Moreover, institutionalizing these new practices and solutions that make for improved financial management poses a significant challenge today for financial managers. Public financial managers must make use of best practices found in government agencies, like NASA, and apply them to their financial systems. Ms. Brown explained that one of the reasons that NASA had success in this area is that it chose to take a modular approach to building the required set of systems. The agency piloted each system, worked out the bugs, brought it online within one of its 10 field based centers, fixed additional problems found, and methodically rolled it out to other centers. In looking to the immediate future, Ms. Brown believes that in addition to accountability, one of the major challenges facing financial managers in the next 5 to 10 years will be to look forward into the future and use financial information as a strategic tool to help design programs and guide decisions.

Further, in order to improve the role of financial managers in government organizations, she believes that financial managers need training geared towards effectively managing and making productive use of sophisticated electronic financial management systems, in addition to exposure to the programs whose resources they manage. Ms. Brown also noted that if financial managers are to become more integrated into the strategic efforts of an organization, financial managers must know how effectively resources are being used, the extent to which programs perform, and whether or not a substandard level of performance warrants fewer or additional resources.

Intragovernmental Transactions Project Forum

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portal to exchange ordering and billing data for intragovernmental rent and IT services by July 1, 2004. GSA's Public Building Services announced that all rent billings will be processed through the IGT portal regardless of the dollar amount involved. Business transactions for IT services will likely observe the processing threshold stated in the Business Rules for Exchange Transactions set forth in M-03-01.

In order to use the IGT portal, an agency must establish the capability to send and receive data successfully. This capability will be established as part of a certification process. An initial operational capability will be deployed on October 1, 2003, for those agency that have been certified to exchange data with the IGT portal. These agencies are the Public Buildings Service, the National Science Foundation, the US Patent and Trademark Office, Interior's National Business Center, and the US Geological Survey. Certification for most major agencies and departments is anticipated between March and June of 2004.

Processing routines for the IGT portal were developed using a rapid prototype method. During the testing process, the participants identified several enhancements that will assist volume producers. One planned enhancement is the generation of bulk files for processing order and delivery acceptance. Business entity profiles are another planned enhancement that will allow each registered entity to tailor messaging and processing options.

The IGT Project has many benefits. For the first time, both sides of business transactions will be stored in the same database. This data will be visible to both trading partners and will enable automated reconciliations. The accuracy of funds control data will be greatly improved as agencies are required to obligate funds prior to the payment process. Unidentified payments and the associated chargebacks will be virtually eliminated. Paper based processing will be migrated to electronic processing, which cuts down on errors and wayward deliveries. The electronic intragovernmental order and bill are among the first standard e-transactions for the federal government and, along with processing standards, enable the integration of disparate agency systems. Finally, by aligning intragovernmental purchases with other acquisition processes, agencies can understand the full scope of purchases that are essential to program delivery and facilitate movement toward strategic sourcing.

For more information, contact Janet McBride by email at janet.mcbride@gsa.gov.

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No Fear

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2004, will be due on March 30, 2005.

Distribution of Report

The report must be sent to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Senate Committee on Governmental Affairs, the House Committee on Government Reform, each committee of Congress with jurisdiction relating to USDA, the EEOC, and the Attorney General.

Contents of Report

The report must include the following information from the prior fiscal year:

1. The number of cases arising in which the agency was alleged to have violated any of the antidiscrimination or whistleblower statutes;
2. The status or disposition of each of these cases;
3. The amount of money required to be reimbursed to the Judgment Fund by the Department in connection with each case;
4. A separate identification of the aggregate amount of the reimbursements attributable to the payment of attorney's fees;
5. The number of employees disciplined for discrimination, retaliation, harassment, or prohibited personnel practices (including those discovered in the investigation of a complaint alleging a violation of any of the discrimination or whistleblower protection laws);
6. The final year-end data posted by the agency (described below); and
7. A detailed description of any policy implemented by the agency relating to appropriate disciplinary actions against a federal employee who has either discriminated against any individual in violation of discrimination and whistleblower statutes or committed another prohibited personnel practice and the number of employees who are disciplined in accordance with the above policy and the specific nature of the disciplinary action taken.

Analysis Section of Report

In addition to the requirements above, the reporting requirements includes an analysis of the information provided in the report, including: an examination of trends; causal analysis; practical knowledge gained through

experience; and any actions planned or taken to improve the agency's complaint or civil rights programs.

Budget Adjustment Section of Report

The agency must also report any ascertainable adjustments made in its budget as a result of compliance with the reimbursement requirement.

First Report Must Contain Preceding Five Years Information

The first report, due on March 30, 2005, must contain all of the above information for each of the five immediately preceding fiscal years. If data is not available for each of those five preceding years, the agency must provide data for each of the years in which the data is available.

Statistical Data Posting Requirement:

The Act establishes requirements that certain summary statistical data relating to equal employment opportunity complaints filed with the agency by employees, former employees, or applicants for employment be disclosed on the agency's public website.

Rules and Guidelines: Section 204 of the Act provides that 30 days after the issuance of guidelines by the President or his designee, each Federal agency shall submit a written statement specifying whether such agency has adopted and will fully follow the guidelines, the reasons for failing to adopt the guidelines if they have not been adopted or the reasons not to fully follow the guidelines if the agency plans not to follow them.

Availability of Data for Reporting: The Department of the Treasury, Financial Management Service (FMS), maintains a database available on their website of judgment fund payments that have been processed. This database contains the current year plus two prior years. Currently, attorney fee information is not available from FMS unless it has been paid in a separate payment. One of the challenges for reporting of financial information will be obtaining information on attorney's fees. Reporting personnel must work with their general counsels and civil rights offices to ensure that attorney fee information is segregated from the payment to the plaintiff and maintained for the required length of time.

Treasury's FMS is currently updating and improving Judgment Fund processes and systems to aid agencies in complying with the requirements of the Act. A secured website with additional data elements is under development and will be undergoing testing within the near future. In addition, agencies may request notification of judgment fund payments via email if contact information is provided to FMS' Judgment Fund Branch (Phone: 202-874-6664 or Fax: 202-874-9522).

Accounting for NO FEAR Act: Agencies should account for NO FEAR Act Judgment Fund payments in the same manner as currently used for the Contract Disputes Act payments. FMS will perform quarterly accounts receivable confirmations via the internet. Annual accounts receivable confirmations as of September 30 will be sent to agency Chief Financial Officers as part of the government-wide financial statement audit process.

Financial Managers Next Steps:

- Ensure that appropriate staff understand the Act's requirements and take action as soon as possible to ensure compliance.
- Begin to prepare for the first report that is due on March 30, 2005, that must contain information for each of the five immediately preceding fiscal years.
- Ensure that information is retained for this period and in the future.
- Maintain close contact with general counsels and civil rights staff to identify and resolve the many unresolved issues relating to implementation of the Act.
- Ensure that attorney's fee information is appropriately segregated and reported.
- Provide input to OPM and the Department of Justice during the development of policy and guidance for implementing the Act.
- Work with budget staff to ensure that funding is available to reimburse the Judgment Fund and to provide the necessary oversight and reporting required by the Act.
- Work closely with FMS to obtain the information needed for recording No Fear Act Judgment Fund transactions and confirming accounts receivable balances.
- Most important of all – aggressively prevent and eliminate discrimination in the federal workplace.

Forum on Financial System Implementation Success Factors using COTS

There is a debate in the Federal government whether commercial off-the-shelf financial (COTS) management systems are meeting agencies' needs and expectations. During the past decade, federal agencies have implemented major financial management systems using COTS software with mixed results. The Joint Financial Management Improvement Program (JFMIP) partnered with the Private Sector Council and the U.S. Chief Financial Officers (CFO) Council's Systems and E-Government Committee, sponsored an executive forum on June 12, 2003. The forum's objective was to engage senior federal financial managers, system managers and private sector thought leaders in a dialog regarding whether to use COTS software, and if the answer is yes, to discern the management imperatives leading to successful implementation of COTS software to meet agency financial management needs and expectations.

The key points from this forum include:

Leaders need greater awareness that implementing new systems is more about management than technology.

- ◆ Government should further rationalize, standardize and communicate its requirements for financial management systems, in order to move the market.
- ◆ The competencies of project managers are critical for success and must be better defined and developed.
- ◆ Testing should be expanded and improved, and should address scalability.
- ◆ Government should examine what is the right model for measuring success—by processes followed or by outcome measures.

The private sector participants included A.W. "Pete" Smith, President of the Private Sector Council; David Carney, Senior Member of Technical Staff, Software Engineering Institute, Carnegie Mellon University; Gopal Kapur, President, The Center for Project Management; C. Morgan Kinghorn, Partner, IBM Business Consulting Services; Richard Rogers, Vice President, Strategic Positioning, Titan Systems Corporation; and Will Tracz, Principal Research Scientist, Lockheed Mission Systems. There were 42 participants from Federal agencies.

For more information, you may download the forum highlights from the JFMIP website at www.JFMIP.GOV.

GAO Issues Exposure Draft on Human Capital

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guide, agencies can take a step forward in identifying opportunities to redirect and intensify their efforts to promote employee learning within their organizations. For more information, contact: George Stalcup, Director, or Susan Ragland, Assistant Director, Strategic Issues, at (202) 512-6806, or at stalcupg@gao.gov and raglands@gao.gov.

(Footnotes)

¹ U.S. General Accounting Office.

Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government. GAO-03-893G. Washington, D.C.: July 2003. This exposure draft, like other GAO products, is available on GAO's Web site (www.gao.gov) or to order by phone, call (202) 512-6000.



JFMIP POSTING ON WEBSITE

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Recent postings include:

- Vendor Qualification Test Results (September 2003)
- Scantlebury Memorial Award Brochure (September 2003)
- Final White Paper on the Federal Financial Management Workforce of the Future - Building a World Class Financial Workforce (September 2003)
- Final Inventory, Supplies, and Materials System Requirements (August 2003)
- Highlights from the "System Implementation Success Factors Using COTS Financial Systems" (July 2003)

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Mark Your Calendar



Tuesday, March 9, 2004

JFMIP 32nd Annual Financial Management Conference

Hilton Washington
and Towers
1919 Connecticut Ave. NW
Washington DC

More Information
in the near future.